The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

IN THIS ISSUE

Of Course the American Missionaries Did It!

Fifteen Thousand Dollars Worth of Japanese Friendship

Viscount Ishii At It Again!

The Matter of Insurance Losses During Recent Shanghai Warfare

Siam Becomes a Constitutional Monarchy

What the Exchange Quotations Mean

President Hoover's Disarmament Proposals

Japan's Hand in the Seizure of the Manchurian Customs Administration

Honjo's Threat to Invade Peiping and Install Henry Pu-yi on the Dragon Throne

Honjo's Ultimatum and the League Commission . . . . . By C. Y. W. Meng

My Six Months in Tsinan . . . . By H. C.

What Will Happen When the Filipinos Become Free? . . . . . By an American Observer

First Shot of Canton-Hainan War Fired in Macao . . . . . By Our Canton Correspondent

The Sino-Japanese War at Shanghai: A Retrospect . . . . . By Hoh Chih-hsiang

Farming Distress and Bandit-Suppression . . . . . By Paul K. Whang

SATURDAY, JULY 2, 1932 VOLUME 61, NUMBER 5

FORTY CENTS A COPY

The National City Bank of New York

1-A KIUKIANG ROAD, SHANGHAI

Head Office:

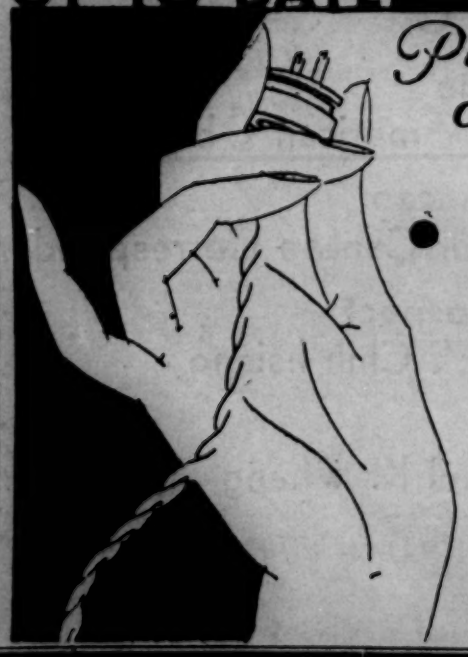
55 WALL STREET, NEW YORK, U.S.A.

Capital, Surplus and Undivided Profits
U. S. $225,300,000

Branches and Affiliates:

Argentina	England	Philippine Islands
Belgium	France	Porto Rico
Brazil	Haiti	Republic of Panama
Chile	India	Spain
China	Italy	Straits Settlements
Colombia	Japan	Uruguay
Cuba	Mexico	Venezuela
Dominican Republic	Peru	

HAVE YOUR ELECTRICAL INSTALLATION BROUGHT UP-TO-DATE



Plug in to comfort.....

- Heating, Lighting and Power Installations in Consumers' premises inspected on request and advice given free.

SHANGHAI POWER CO.

HEAD OFFICE SHOWROOM:
95 NANKING ROAD

BRANCH SHOWROOMS & COLLECTING OFFICES:

772 Bubbling Well Road - - 107 Boone Road
272 Chekiang Road - - - 440 East Broadway
TELEPHONE 11010 (all Departments)

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 61 | Shanghai, China, Saturday, July 2, 1932 | Number 5

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG — DANIEL J. LEE
S. C. YANG (Harbin) — CHANG YA-CHUEN
MARK M. LU (Honan) — FLORENCE WONG (London)

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

The Matter of Insurance Losses During Recent Shanghai Warfare 151
Fifteen Thousand Dollars Worth of Japanese Friendship 152
Of Course the American Missionaries Did It! 151
What the Exchange Quotations Mean 153
Siam Becomes a Constitutional Monarchy 153
President Hoover's Disarmament Proposals 154
Viscount Ishii At It Again! 155
Japan's Hand in the Seizure of the Manchurian Customs Administration 158
Honjo's Threat to Invade Peiping and Install Henry Pu-yi on the Dragon Throne 160
Honjo's Ultimatum and the League Commission ..... By C. Y. W. Meng 160

Special Articles

The Sino-Japanese War at Shanghai: A Retrospect ..... By Hoh Chih-hsiang 161
What Will Happen When the Filipinos Become Free? ..... By an American Observer 165
First Shot of Canton-Hainan War Fired in Macao ..... By Our Canton Correspondent 167
Farming Distress and Bandit-Suppression ..... By Paul K. Whang 172
My Six Months in Tsinan ..... By H. C. 174
Men and Events 178
Who's Who in China 180
New Books of Interest in the Far East 180

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS" COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

THE MATTER OF INSURANCE LOSSES DURING RECENT SHANGHAI WARFARE

ONE of the big questions still to be thrashed out is the question of the payment of fire losses suffered in the Shanghai war area. Shortly after the close of hostilities an Association of Fire Insurance Claimants in War Zones was formed with the object of making common cause against the insurance companies and demanding indemnity for losses suffered. One of the elements in the settling of the dispute is whether the operations around Shanghai were the result of "war," as no formal declaration to that effect was made by either side. The attitude of the insurance companies regarding claims made against them for losses arising out of the recent hostilities was made clear during the week by an official statement issued by the Special Insurance Committee Sino-Japanese Hostilities (1932) which represents all insurance companies in Shanghai. The insurance companies, after mentioning that there could be no question that those who had taken out policies against war risks would be covered, adopted the view that the ordinary fire insurance policy contains exceptions which are undoubtedly sufficiently comprehensive to cover such a state of affairs as had recently been experienced here, no matter by what name it may be called, and, if for no other reason than that of preserving a principle vital to their business, the companies' attitude must continue to be that in respect of no case arising out of these happenings can there be room for sympathy with the claimants on the part of the companies from the insurance point of view. Nothing can be clearer, the insurance companies claimed, than that none of the insurance companies ever intended to include in their ordinary policies the type of loss for which payment is now sought and the insurance companies alleged there was no doubt whatever that claimants as a body knew this quite as well as the companies did.

The insurance companies announce that cases will be considered on their merits on claims being made and, in the event of rejection of any claim, the result of any action or proceeding arising therefrom in whatever court such action or proceeding may be taken will not be considered by the companies individually as binding in any other case, nor will any individual case be treated as in any sense a "test" case.

The insurance companies somewhat apologetically stated that the public might consider the enunciation of its stand somewhat tardy, but they claimed that whatever delay there was in making the statement was due to the necessity of getting the views of their respectve head offices. The Special Insurance Committee of the Fire Insurance Claimants immediately after the insurance companies had issued their statement announced that "positive action" would be taken, which Mr. Tang You-wei, legal adviser of the association, explained meant that court actions on behalf of the more than four thousand claimants would be started. Their claims are stated to total Tls. 12,000,000. Mr. Tang in a statement issued June 27 asserted that local insurance companies, both foreign and Chinese, had reaped an enormous sum of profits which run into several millions of dollars and if the insurance companies did not pay their claimants in war zones their future business would be at stake. Mr. Tang appealed to local fire insurance companies for their sympathy and justice towards their claimants, whose homes are total losses, and especially stressed the moral side of the question.

In case, the matter is ever brought into court, it is quite a possibility that some insurance companies would be ordered to pay and others not owing to the fact that the various companies are subject to different jurisdictions. The situation as regards this matter is somewhat similar to that in Yokohama at the time of the earthquake in 1923. The insurance companies in that instance also took the ground that they were not legally liable to make any payment under the circumstances but in the end they paid out small amounts to the insured as a solatium. It would doubtless be expedient for the insurance companies in this instance to adopt a similar policy, if for no other reason than as a stimulus for future business.

FIFTEEN THOUSAND DOLLARS WORTH OF JAPANESE FRIENDSHIP

THE English ianguage edition of the *Osaka Mainichi* tells us that arrangements have been made for the broadcasting of addresses by six "noted men of America who are friends of Japan," said lectures to be devoted to Japanese-American friendship and to be delivered over the National Broadcasting chain in New York City. The six noted men who are friends of Japan were listed as follows:

> Hr. Henry W. Taft, elder brother of former President William H. Taft and the holder of the Grand Cordon of the Rising Sun.
>
> Mr. Ellery Sedgwick, the present editor-in-chief of the *Atlantic Monthly*.
>
> Mr. Wills John Abbott, the chief editor of the daily, *Christian Science Monitor*.
>
> Mr. James Thomson Shotwell, Professor of History at Columbia University, New York City.
>
> Mr. Frank Arthur Vanderlip, a New York Banker.
>
> Mr. Harold Lockwood, Y.M.C.A. Secretary.

What these six noted men are to be paid for their services was not stated but the fees charged for the service by the National Broadcasting Corporation was stated as G.$350 for a period of fifteen minutes. One lecture a week for a month would thus run to G.$1,400. It was stated that the Intelligence Department of the Tokyo foreign office hoped to raise the sum of G.$15,000 to cover the expenses of a six-months radio education "for the benefit of the densely populated region about New York City for a radius of 100 miles." According to the report the scheme originated with the Japan Tourist Bureau in New York and as a result a committee was formed to make the arrangement, said committee being composed of representatives of the Tokyo Foreign Office, the Tourist Bureau and two officially-subsidized steamship lines. Of the six noted men who are scheduled to deliver the 15-minute broadcasts, Henry W. Taft is a partner in the law firm of Cadwalader, Wickersham and Taft which was retained by the Japanese Government during the Washington Conference in 1921-1922.

OF COURSE THE AMERICAN MISSIONARIES DID IT!

MR. J. O. P. Bland, British author and journalist, who for many years was the representative of the Shanghai Municipal Council in London, is responsible for the statement that the present disorder in China was caused by the teachings of American missionaries. According to a report by the official Japanese *Rengo* service from its correspondent in London (*Osaka Mainichi*, June 19), "education spread in China by American missionaries departed from its original mission and imparted political tendencies....and as a result Chinese intellectuals are exerting a hypnotic effect on the intellectuals of other countries....disorder in China will continue until foreign countries have adopted a saner attitude toward China." Sir Frederick Whyte, former adviser to the National Government was also quoted by *Rengo* as "agreeing that American missionaries had wrought much harm," but Sir Frederick qualified his statement by saying that American missionary influence was a minor factor compared to the effect of the immense tide of Western learning. Assuming that Messrs. Bland and Whyte are correct that American missionaries have been responsible for present China disorder, we will have to list the missionaries as the prize altruists of the age because the missionaries, British as well as Americans and other nationalities as well, have been the greatest sufferers from disorganized conditions in China. The Japanese used to attribute independence agitations in Korea to the American missionaries as also did the British authorities in India, but later both governments took the missionaries into camp and since that time little has been heard about the missionary responsibility for "disorder." Also, it should be said at the same time that little likewise has been heard about the effectiveness of missionary work in these two colonies since the missionaries agreed to temper their Christian teachings by giving unqualified support to the governing authorities.

WHAT THE EXCHANGE QUOTATIONS MEAN

A SUBSCRIBER in Szechuen writes *The Review* as follows: "In your Exchange Circular it is mentioned that Silver is U. S. $0.27¼. Would you kindly explain what this means?" As there are doubtless many readers who are puzzled by the figures as they stand in the Exchange Circular—which are compiled principally for the benefit of traders and speculators—we take the opportunity of explaining a few points about the matter of exchange in general. Answering the above question specifically it means that silver in New York is selling at U. S. $0.27¼ per troy ounce—a very low price indeed. To figure out the value between American dollars and so-called Mexican dollars is quite an intricate problem, due to the fact that the quotations as cabled from abroad are based on the Shanghai tael, the tael being a Chinese "ounce" of silver. It is to be noted in this connection that Mexican dollars as such are not used any more, the Chinese themselves using coins of the same weight and fineness. The name remains, but a real Mexican dollar these days is used only in Mexico and as a matter of fact is not the same size or of the same design as the old Mexican dollar which was originally used in China. The relation between the Shanghai tael and the American dollar, that is, the cost of buying American money in Shanghai taels is given in the body of the table opposite the words "T/T on New York." At present the T/T (which means the purchase by telegraphic transfer) rate is about 30; that is, one Shanghai tael will buy thirty cents of American money. Next it is necessary to know the rate between the tael and the Chinese dollar in order to figure out how much those thirty cents will cost in Chinese money. The usual relation between Chinese dollars and Shanghai taels is somewhere around 73, that is one Shanghai dollar will buy 73 tael cents, but, owing to present abnormal conditions, the rate has during the past few months been unsettled in a way that it has never been known to be before, and at the moment the rate is under 70. But assuming that on a certain day the T/T rate is 30 and the tael dollar rate is 70, in order to find out the relation between American dollars and Chinese dollars, you multiply the two figures, the answer being 21, that figure being the number of American cents that a Chinese dollar will buy. (Or Mex. $4.76 equals U. S. $1). Of course, it must be understood that the rates for buying and selling are always in favor of the bank, and owing to the fact that the rate is worked through two exchanges, the banks always make a double profit every time an exchange operation goes through their hands. In the Chinese exchange shops in Shanghai, which do an enormous business, exchange rates between foreign and Chinese currencies are made direct and on a profit almost infinitesimal, so that persons having small amounts of foreign currencies to exchange will always find it more profitable to deal with the small exchange shops than with the large banks—that is, if the exchange shops don't cheat you, as they are sure to do whenever any stranger comes along who is not fully acquainted with the ins and outs of the market for that day.

SIAM BECOMES A CONSTITUTIONAL MONARCHY

THE little Kingdom of Siam, which lies to the north of the Federated Malay States, staged a revolution end of last week, the first news of which was sent to the outside world by a German air-woman, Marga von Etzdorf, who telephoned the particulars to the *Vossische Zeitung* in Berlin. Mrs. Etzdorf had been detained in Bangkok in order to get some repairs made to her plane. The revolution was practically bloodless, only one officer being shot when he refused to join the movement. The revolution was engineered by the Army and Navy, the officers of which had joined the newly-formed "People's Party." The outbreak occurred on the night of June 23 and took the city of Bangkok by surprise. The rebellious soldiers and sailors, led by their officers, thronged the streets with tanks and machine guns. The officers of the General Staff and members of the government were arrested and every member of the royal family except the Prince of Kembaeng Bejra, Minister of Commerce and Communications, was seized and held pending the outcome of events. Particular attention was paid to the Prince of Nagor Svarga, who is Prince Regent and Minister of Interior, who was taken from his bed in the Palace to the Throne Hall, which was heavily guarded. The same procedure was followed with regard to the head of the National Police. King Prajadhipok and Queen Ramaibarni were absent from Bangkok on vacation at a resort at Hua Hin Peninsula at the time the outbreak started. A cruiser was dispatched to take them into custody and they were later brought to Bangkok. The telegrams are not quite clear as to the King's whereabouts after he arrived at Bangkok. One account had it that he remained on board the cruiser. Another account spoke of his having received a tremendous ovation from the populace as the head of the new constitutional monarchy.

Siam was practically the last absolute monarchy in the world and the demand of the revolutionaries was for the establishment of a constitutional monarchy. King Prajadhipok, it is announced, will head the new government. The King was charged by the revolutionaries with giving offices to relatives and favorities—a charge that could easily be substantiated. A manifesto published by the revolt chiefs charged oppression and cupidity on the part of the princes' clique. This charge was likewise well founded; there probably was no country in the world where more roguery was practised than in the inner circles of the ruling clique at Bangkok. The manifesto declared that unless King Prajadhipok agreed to the demand for a constitutional monarchy, a republic would be formed.

In the system of government which has been overthrown the executive power rested wholly in the hands of the King. When the present ruler ascended the throne in 1925, he restored the Council of Five abolished by his predecessor, consisting of five princes, known as the Council of State, who acted in an advisory capacity to the Sovereign. There was also a Legislative Council of Ministers and others, all appointed by the King, with a membership of 40. It supervis-

ed all legislation, which had to be signed by the king to become effective.

Siam came prominently into the world's news in 1927, when extraterritoriality was abolished, and again last year when the international opium conference was held at Bangkok. Siam is a member of the League of Nations and is known in commerce mostly as the principal source of teak wood. It is also known as the land of the White Elephant, but the elephants are far from white but a kind of pinkish yellow. The revolution in Siam cannot but have a repercussion in Japan. The Siamese have never been so fervid in their admiration for their King as the Japanese for their Emperor, but there was a close connection between church and state, some of the principal temples in Bangkok being under the supervision of the King, and the fact that Siam has broken with the past may well give the cue to the people of the Island Empire to start something on their own account.

The ruler of Siam, King Prajadhipok and Queen Ramaibarni are both well known in the United States where they spent several months last year while the King received treatment for eye trouble. Other members of the Siamese royal family have studied at leading American universities. For many years the King of Siam has employed an American legal adviser, while the *Bangkok Daily Mail*, an English-language daily owned by the royal family has been edited by American journalists for many years. Approximately half of the population of Siam is of Chinese blood, the Chinese strain in the population dating back to the glorious days of the Chinese Empire when Genghis Kahn and Kublai Kahn stationed a large Chinese garrison in Siam.

PRESIDENT HOOVER'S DISARMAMENT PROPOSALS

PRESIDENT Hoover, through Mr. Hugh Gibson, chief of the American delegation at Geneva, on June 22 made dramatic proposals for international disarmament. The telegrams described the proposals as a bombshell thrown into the Disarmament Conference. The Hoover proposal is that tanks, instruments of chemical warfare, large mobile guns and airplanes should be scrapped, that armies and tonnage of battleships and submarines be reduced by one third, that no nation be permitted to have submarine tonnage in excess of 35,000, and that the treaty tonnage of aircraft carriers be reduced b one-fourth. The practical effect of President Hoover's Disarmament plan on naval reduction would be (1) To admit the United States to a cruiser parity with Great Britain, each country to be allowed 250,000 tons and Japan 150,000 tons; the United States would scrap battleships (numbering five) totalling 105,000 tons, submarines totalling 35,000 tons, destroyers totalling 165,000 tons, build cruisers to the total of 33,000 tons, and air-craft-carriers to the total of 9,000 tons; Great Britain would scrap her capital-ships to the total of 123,000 tons, her aircraft-carriers totalling 14,000 tons, her cruisers totalling 120,000 tons, her destroyers to the total of 82,000 tons and her submarines totalling 25,000 tons; Japan would scrap her capital-ships to the total of 88,000 tons, her cruisers to the total of 77,000 tons, her aircraft-carriers to 8,000 tons, her destroyers totalling 40,000 tons and submarines totalling 45,000 tons.

The path for the disarmament proposal had been paved the previous day when Mr. Hugn Gibson, the American representative, set Europe by the ears when he declared to M. Herriot, the French representative, that it would be out of the question to ask the United States to canncel war debts while Europe was spending more on armaments than would suffice for the whole service of debts. This thrust from Mr. Gibson was delivered at a conference which he had with M. Herriot at a village hotel not far from Lausanne. This interview had been preceded by a two-hour conference with Mr. Ramsay MacDonald, the British representative. Mr. Gibson's declaration was the first official admission that there was a connection between war debts and disarmament.

The reaction to the Hoover plan was instant, and it is significant that it is France and Japan who are the two outstanding dissenters. M. Herriot is reported to have said that no French Government would ever be able to agree to such denudation of strength and that the French people would never "stand" for it. M. Paul Boncour in discussing the Hoover proposals constantly referred to the question of security and argued that proportional reductions of armaments would prejudice the interests of smaller states. He urged that if the Disarmament Conference discussed the Hoover proposals the delegates must simultaneously consider the French proposals for an international force.

The most decisive opposition to the Hoover plan has come from Japan, where it was sarcastically referred to as propaganda for the forthcoming presidential election in the United States. The opposition of the Japanese naval authorities is unmistakable, their view being that so long as the present 5-5-3 ratio for capital ships is maintained, the nine capital ships allowed to Japan is the minimum for the national defense of the Island Empire "in view of its peculiar position." The Japanese military authorities have also declared that Japan would never agree to the proposal that armies should be reduced by one-third. The Japanese take the position that the abolition of bombers and heavy mobile guns would tend to prolong war and would in reality be an actual detriment to the cause of world peace. The only phase of the Hoover disarmament plan that the Japanese agree to is the proposed prohibition of tear gas and poisonous gases, neither of which the Japanese apparently are able to manufacture.

Telegrams from Tokyo indicated that Japan's attitude would a great deal depend on what course the Soviets pursued. Informally the Japanese had made suggestions that they might be induced to accept the Hoover disarmament proposal in exchange for American recognition of Manchukuo. Naturally enough, America will not even deign to discuss such a proposition, much less agree to it.

The British position on the Hoover plan has so far been non-committal. Sir John Simon, the British delegate, flew back to London to discuss the subject with British political leaders, and a statement defining Britain's position will doubtless be forthcoming in due course. Italy and Germany have given their unqualified approval to

the Hoover plan, as have the various smaller states. Official circles in Washington in the meantime have made it clear that the plan outlined by President Hoover is not intended to be the last word on the subject, but is to form the basis of further negotiations looking towards a lessening of the disarmament burden.

⁂

Back of this question of disarmament, it is to be remembered, looms the question of inter-European debts and reparations payments. Germany, through Baron von Neurath, the German Foreign Minister, gave notice at Lausanne, June 22, that she was unable to pay her reparations. It may be stated here, incidentally, that in reality Germany has practically never paid any reparations. What was happening was that Germany was borrowing huge amounts from abroad, particularly from America, and with the proceeds going through the formality of paying reparations. But when the world economic crisis made it impossible for Germany to borrow any further substantial amounts, mostly in the United States, she then gave notice that she could not pay. In view of the French reiteration that the Republic must have "security," the Germans have suggested a "consultation clause" by which Germany and the interested Powers could meet in the event of any threat to security and peace. Germany's plight has been recognized by Great Britain, France and Italy who, according to a telegram from Lausanne, June 23 have agreed in principle that the Hoover Moratorium shall be applied to the inter-European debts and reparations until the return of relatively normal conditions throughout the world.

⁂

In this connection it is quite possible that the comparatively small countries of Holland, Belgium and Luxembourg have started the ball rolling which will bring the world economic crisis to an end. They have agreed as among themselves to commence a progressive annual reduction in import tariffs of ten per cent and have given notice that they will denounce all commercial treaties with other countries that do not agree to follow the same formula. Minimum tariffs are provided for, and when this limit is reached no further reduction would, under their plan, be obligatory. There can be little doubt in any one's mind that the main obstacle to the world's economic recovery is the fact that all the principal countries of the world, large and small, have put up high tariff barriers, with the result that international business has been throttled. Probably all of them realize that such is the case, but it has so far been a case of each expecting the other nation to commence to lower the tariff barriers. Now, little Belgium and her neighbors have injected the ferment that may leaven the lump of the world's commerce—at least it is to be hoped that such a result will follow.

Viscount Ishii At It Again!

ON Thursday of last week the America-Japan Society in Tokyo entertained the recently appointed American ambassador, Mr. Joseph Clark Grew. Guests at the dinner included Premier Saito, Prince Tokogawa, Admiral Takarabe, Count Hayashi, Mr. Kenkichi Yoshizawa and Viscount Ishii. Special interest attaches to the presence of Viscount Ishii because he delivered an address dealing with the relations of Japan and America which has received considerable attention around the world.

In the introduction to his remarks Viscount Ishii explained that he was summoned from his country cottage by a telegram from Prince Tokogawa specially requesting him to deliver the address of welcome to the new American Ambassador. Prince Tokogawa, who is a "shogun" or descendant of the ancient military commanders who ruled Japan to the revolution of 1867, is president of the America-Japan Society.

Viscount Ishii's remarks which have aroused considerable newspaper comment on both sides of the Pacific dealt indirectly with the present strained relations between the United States and Japan over the Manchurian and other current Far Eastern questions. After attributing the trouble to "poisonous, mischevious propaganda disseminated over the world by....wicked, criminal propagandists," the Viscount then referred directly to the rumors of possible or pending armed conflict between the two countries. In this connection he declared,

> "In my opinion an armed conflict between our countries is possible only in two extremely improbable contingencies. In the first place, if Japan were foolish enough to attempt unduly to interfere with matters of the Western hemisphere, then a war would become inevitable. But the Japanese government and people know their own business and are firmly determined to refrain from doing anything on the other side of the Pacific which might give rise to a shadow of suspicion. Even where the inherent rights and material interests of their nationals are vitally affected by legislative measures or popular action, Japan, while asserting her position, is patient enough to rely upon time to cure a temporary and perhaps passing evil. If the immigration of Japanese laborers to the United States was considered undesirable by the American laborers the Japanese government have not hesitated to exercise to the utmost their power of restriction upon their people to cross the ocean. In a word, Japan leaves no stone unturned in order to remove all possible causes of friction with her great neighbor. In these conditions how can the attitude of Japan lead to a conflict on the Pacific Ocean?
>
> "In the second place, if the United States ever attempts to dominate the Asiatic continent and prevent Japan from her pacific and natural expansion in this part of the world, then indeed a grave situation would be created, for it is obvious that a nation with a population overcrowded to the breaking point could not be shut up indefinitely in a narrow strip of land. But I am convinced that what the United States cares about in the Extreme East is the maintenance of peace and to see her treaties concluded for that purpose duly respected.

"The invariable policy of our country in these respects is well known to the whole world, consisting as it does in the maintenance of the principle of open door and equal opportunity in China and in the absence of any territorial ambition in any country. Here again, therefore, the American intervention alluded to above is as highly improbable as Japanese interference in matters of the western hemisphere.

"Every nation has its own interests to look after and its own sphere of activity. The vast majority of the intelligent Americans and Japanese know perfectly well where their respective national interests lie and where stops their respective center of activity, beyond which pure common sense forbids them exposing their flesh and bones for futile and vain purposes."

The Viscount's remarks instantly were recognized as "fighting-words" intended to convey the impression that what he had in mind was the declaration of a sort of "Asiatic Monroe Doctrine," meaning doubtless that there would be no serious trouble between the United States and Japan so long as each country attended to its own business in its own sphere of activities. According to brief extracts of editorial comment cabled to the Far East *The New York Times* considered Ishii's remarks as a sort of declaration of Asiatic Monroe Doctrine, meaning that Japan intended to dominate Far Eastern affairs from now on, but the *New York Herald-Tribune* offset this by declaring that Ishii's proposals were "too exclusive to be entertained for a single moment," and instead of declaring a Monroe Doctrine in Asia the Viscount had merely announced an "Ishii Doctrine."

It was unfortunate that the American editorial writers responsible for the foregoing remarks did not refer to their own files of fifteen years ago for had they done so they would have discovered that this was not Viscount Ishii's first attempt to put over an "Asiatic Monroe Doctrine." On the previous occasion the Viscount was somewhat more successful for he actually induced the then Secretary of State, Mr. Robert Lansing to make an agreement (exchange of notes) whereby the United States recognized that Japan has "special interests" in China. However, the Senate of the United States following the close of the Washington Conference in 1922, passed a resolution abrogating the so-called Lansing-Ishii agreement.

The story of Viscount Ishii's previous and abortive attempt to establish Japan's "paramount" position in Asia is worth re-telling in view of his recent declaration on the occasion of the arrival of the new American ambassador in Tokyo. The Lansing-Ishii agreement was signed on Nov. 2, 1917 and actually consisted of an exchange of notes wherein Japan and the United States re-affirmed the policy of the Open Door and inviolability of China's territorial integrity, but included in the American note appeared the following sentences,

"The Governments of the United States and Japan recognize that territorial propinquity creates relations between countries, consequently the Government of the United States *recognizes that Japan has special interests in China, particularly in the part.. to which her possessions are contiguous.*

"The territorial sovereignty of China nevertheless remains unimpaired and the Government has every confidence in the repeated assurances of the Japanese Government that, while her geographical position gives Japan such special interests, they do not desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other Powers...."

The agreement actually meant little as it stood but it marked the culmination of a long period of intrigue by the Japanese General Staff which was designed for the purpose of inducing the Western Powers to concur in Japan's permanent possession of Shantung province which the Japanese army and navy captured from Germany at the beginning of the World War. The whole matter had an important bearing on the conditions under which America was induced to enter the war, for it later was shown quite conclusively that the U. S. Government was not informed regarding the content of various secret treaties which Japan had exacted from the European allies on the score of Japan's remaining on their side during the course of the war. The fact that the American people generally considered they had been duped by Japan and the other Powers on this issue had much to do with the Senate's rejection of the Versailles Treaty signed at the conclusion of the war.

To put it briefly, Japan defeated the small German force at Tsingtao and occupied Shantung province shortly following the beginning of the war in 1914. The following year Japan presented the infamous Twenty-One Demands, the wholesale acceptance of which would have converted China into a Japanese colony. The Powers were involved in the war at the time and could offer little resistance, but largely due to a strong American protest, the Japanese relinquished the most drastic of the demands. But while checked in this regard, the Japanese government set about accomplishing by secret means what they could not do openly. As the price of remaining loyal to the Allies throughout the war the Japanese exacted a series of secret agreements with Russia, France, Italy, and Britain whereby the various Powers agreed to confirm Japan in the possession of Shantung at the conclusion of the war. Realizing the futility of approaching the United States with such a proposition, the Japanese Government followed other tactics. Viscount Ishii was dispatched to America at the head of a commission of prominent Japanese announcedly for the purpose of congratulating the United States on her decision to enter the war on the side of the Allied group. However, it soon began to be rumored about that Japan had deeper motives for Japanese propagandists began to talk about Japan's "paramount" position in Asia. It was about this time that the State Department sent China a friendly note advising the Chinese people to settle their domestic troubles in order to be in a position to take an active part in the war, China also having broken off relations with Germany and joined the Allies. The Japanese newspapers under official inspiration kicked up a tremendous commotion about what they termed American "interference" in the affairs of Asia.

Viscount Ishii then appeared on the scene at the psychological moment and proposed that the United States and Japan "clear the atmos-

phere with a joint declaration or agreement that would allay international suspicion." Neither President Wilson nor Secretary of State Lansing was aware of the secret treaties pertaining to Shantung which Japan and the other Powers had signed and which Ishii doubtless had in his pocket at the time, hence the conclusion of the so-called Lansing-Ishii agreement tended to give added force or validity to Japan's claim to "paramountcy" in Asia. Standing alone the agreement meant little or nothing, but linked up with the secret treaties between Japan and the European Powers, the effect was more or less disastrous because it created the impression that the United States had agreed to Japanese occupation of Chinese territory and domination of the Asiatic continent.

The whole thing, of course, was a clever piece of Japanese diplomatic chicanery and was recognized as such later on when the Russian revolutionists gained access to the archives in the Czarist foreign office and published the secret treaties. The public, particularly in the United States, immediately recognized that President Wilson and Secretary Lansing had been duped by Viscount Vishii and the Tokyo foreign office. The result was a feeling of intense resentment at the duplicity, which culminated in the action of the Senate in abrogating, or actually repudiating the Lansing-Ishii agreement at the conclusion of the Washington Conference early in 1922. Needless to state the Conference succeeded in dislodging Japan from her military foothold in Shantung and in obtaining Japan's adherence to the Nine-Power Treaty which re-affirmed the Open Door and further guaranteed the territorial, political and administrative integrity of the Chinese Republic.

Considered in the light of his past record it is therefore a matter of some significance that Viscount Ishii should again appear on the scene at a banquet welcoming the new American ambassador to Japan and repeat his old doctrine of Japan's control of Asia. There is an interesting historical parallel in this situation for conditions at the present are somewhat similar to those prevailing in the United States prior to the calling of the Conference on Arms Limitation and Pacific Affairs which met in Washington late in 1921. In the American presidential campaign in 1920 one of the major issues was the Senate's rejection of the Versailles Treaty which included the so-called Shantung clause which confirmed Japan in the military occupation of the Chinese province. In consequence the political leaders in both the Republican and Democratic camps devoted considerable attention to what was termed the "rape of China." After the election of President Harding, the President in cooperation with Secretary of State Charles E. Hughes set about making plans for the calling of the Washington Conference. It was quickly realized that there could be no international agreement on arms limitation unless the situation in the Far East could be stabilized. And the situation in the Far East could not be stabilized so long as Japanese troops were in possession of Chinese territory in Shantung or Russian territory in Siberia.

Now, after the passing of fifteen year's history seems to be repeating itself for again the world finds Japan in military occupation of Chinese territory and America again trying to bring about a further drastic cut in armament. That the Chinese are awake to the significance of present events in their relation to the past was indicated in the following editorial which appeared in *The China Press* (Chinese owned) on last Monday:

China In American Politics

The question of Japan's wholesale treaty violation and military activities in China will occupy an important place in the forthcoming U. S. political campaign, somewhat similar to the situation which prevailed in the Cox-Harding campaign in 1920. According to a report in the *Japan Advertiser* (Tokyo) the Republican platform adopted at the recent national convention in Chicago contains a clause or "plank" which declares that,

"Events in the Far East, involving the large scale use of arms in the Sino-Japanese conflict, caused world-wide concern and sorely tried the bulwarks erected to insure peace and the settlement of international disputes by pacific means.

"The Far Eastern situation developed a controversy which threatened the security of nations bordering on the Pacific Ocean and challenged the maintenance of the American-enunciated policy of Equal Opportunity and the Open Door in China, and 'the administrative and political integrity of the Chinese people.'

"The president of the United States and the secretary of state maintained a just balance beween China and Japan, taking always a firm position to avoid entanglement of this country but consistently upholding treaty rights and never condoning developments that endangered the obligation of the treaties of peace of the world," the plank says.

"The item calls attention to the fact that the Republican Administration of the United States acted in harmony with the Governments represented in the League of Nations (with regard to the Far Eastern controversy) and adopted a policy not to recognize any situation, treaty, or agreement between Japan and China brought about by force in defiance of the Kellogg Pact. It asserts that this policy remains a material barrier preventing any nation from reaping fruits from aggressive warfare, and thus opens a new path for the maintenance of peace.

"The plank favored the enactment of legislation empowering the Government of the United States to call and to participate in an international conference on the situation in case there is any threat of non-fulfillment of Article 2 of the Kellogg Pact."

While it is not yet known what attitude the Democratic Party will take on Far Eastern questions, it is obvious that that important group also will take a definite stand in its platform on the Sino-Japanese conflict occasioned by Japanese treaty violation and territorial aggression in Asia. Several of the Democratic candidates, but notably Mr. Newton D. Daker who was a member of Wilson's war cabinet, have already made important pronouncements on Japan's activities. It is, therefore logical to expect that the Sino-Japanese issue will be fully aired in the forthcoming political campaign and this will have important repercussions on American policy regardless of which party is successful in the election this fall. Since the Republican platform contains a recommendation favoring the enactment of legislation by Congress empowering the government to call and participate in an international conference on the situation in case there is any threat of non-fulfillment of Article 2 of the Kellogg Pact, it is quite likely that the Democratic platform will contain a provision to similar effect.

In this connection American political history seems to be repeating itself for Sino-Japanese questions occupied an important place in the election campaign which occurred in the fall of 1920 preceding the election of President Harding. In that memorable campaign the question of Japan's Twenty-One Demands and occupation of Shantung and the so-called Shantung clause in the Versailles Treaty received the attention of candidates of both political

parties. This had an important bearing on President Harding's and Secretary of State Charles E. Hughes' decision to include a discussion of China questions at the Arms Limitation Conference which was convened in Washington in 1921. It is a curious repetition of history that the Sino-Japanese issue should again become part and parcel of the whole question of reduction of international armament. At the Washington arms conference it was realized that there could be no limitation on naval armament so long as disturbed conditions prevailed in the Far East in consequence of Japan's continued occupation of Chinese territory in Shantung and Russian territory in Siberia. The result was that the Powers had to devote their attention to an adjustment of this question before they could give serious attention to the question of limiting their naval forces. Now a somewhat similar situation prevails: President Hoover has made a proposal for a drastic cut in both naval and land armament and again Japan (and France) offer serious objection. Again it will be necessary for the Powers to have a show-down with the Japanese on their Far Eastern policies before it will be possible to reach an understanding on arms reduction. China has everything to gain in connection with this promised airing of Far Eastern politics in the forthcoming U. S. presidential campaign!

Japan's Hand in the Seizure of the Manchurian Customs Administration

THE Japanese overlordship of Manchuria, following nine months of military operations, has now reached the stage where movements quite as bold and even more far-reaching in their international reactions are occurring than was the original onslaught on Mukden last September. By seizing the Customs revenue of Manchuria, and particularly that of the important port of Dairen, Japan has dealt a blow to China at a vital spot, cutting off a large part of its revenue, at a time when even with all possible sources of revenue being drawn upon to the utmost, it has been all but impossible for the National Government to keep its financial machinery in operation. Details of the various steps by which the so-called Manchukuo Government—merely a shield for Japan—has operated are given in the various official statements printed below:

Statement by Inspector General of Customs

Sir Frederick Maze, the Inspector General of Customs, states (June 24) in respect of the Manchurian Customs question that the restrictions originally placed by the Manchukuo Authorities on revenue remittances to Shanghai and the recent seizure of such revenues have seriously curtailed the funds available for the liquidation of the Indemnities and foreign Loans secured on the Maritime Customs; and in view of the general trade depression now unfortunately prevailing and the shrinking revenue, the service of these obligations will be seriously affected if the Manchurian Customs *impasse* continues. The same danger, he adds, exists for the domestic loans charged on the Customs revenue.

The financial situation has been further aggravated by the extraordinary action of Mr. Fukumoto, the Commissioner of Customs in Dairen—a Japanese subject—who refused to execute the Inspector General's orders to instruct the Bank concerned in Dairen to remit the local revenue to Shanghai on the ground that he had received a communication from Mr. Kawai, Chief of the Section for Foreign Affairs of the Kwantung Government at Port Arthur, saying that the remittance of revenue under present circumstances would be highly provocative, and that he had good reasons to believe that the counter measures which the Manchukuo Authorities might adopt if remittances were effected would vitally affect Japanese interests in the Kwantung Leased Territory. He (Mr. Kawai) therefore strongly urged that remittances be postponed pending the solution of the present issues.

On receipt of this peculiar message the Inspector General immediately telegraphed to the Commissioner disapproving of his passive attitude, instructing him to remit forthwith, and warning him that failure to execute instructions would be considered as insubordination. In reply to these definite instructions the Commissioner telegraphed as follows:—

> "A passive attitude is the only one possible for me at the present moment. I myself am convinced and also have been warned by responsible Japanese Authorities that an open rupture between the Dairen Customs and the Manchukuo Authorities would be destructive to Japanese interests. That I, a Japanese, should be the instrument to bring about such a rupture is intolerable and against my conscience. I hope therefore that the Inspector General will realise the impossibility of my taking such a responsibility upon myself."

With the approval of His Excellency Dr. T. V. Soong, Minister of Finance, Mr. Fukumoto has been dismissed for gross insubordination, and the Inspector General adds that his defiance of legitimate orders forms an incident which is unprecedented in the history of the Maritime Customs Service.

***

The Japanese Government was reported in a *Reuter* message from Tokyo June 25 to have lodged a protest with the Chinese Government against the dismissal of Mr. Fukumoto, the Japanese Government declaring that such action is contrary to Article III of the 1907 Agreement, which stipulates that there shall be no dismissals or appointments of Customs officials at Dairen without first consulting the Governor of the Kwantung Leased Territory. This brought forth a further statement from Sir Frederick Maze, Inspector General of Customs.

***

Inspector General's Statement on Mr. Fukumoto's Dismissal

With reference to the reported declaration of the Japanese Government that the recent dismissal of Mr. J. Fukumoto, Commissioner of Customs at Dairen is contrary to Article III of the 1907 Dairen Agreement, Sir Frederick Maze, the Inspector General of Customs, having been asked for his opinion on the subject, stated (June 26) that the action of the Customs Authorities in dismissing Mr. Fukumoto did not contravene the Agreement in question, and did not necessitate consultation with the Kwantung Government. For the sake of clarity, it is desirable to quote the first three Articles of the Agreement:—

I. The Commissioner of the Chief of the Maritime Customs office at Dairen is to be of Japanese nationality. The Inspector General of Customs will come to an understanding with the Japanese Legation at Peking in case of appointing a new Commissioner.

II. The members of the staff of the Maritime Customs office at Dairen shall, as a rule, be of Japanese nationality; in case, however, of a suddenly occurring vacancy or of temporary requirements of the Service, members of other nationalities may be provisionally sent to Dairen.

III. The Inspector General of Maritime Customs will inform the Governor General of the Leased Territory beforehand about the change of the Commissioner of Customs at Dairen.

Sir Frederick points out that before the provisions of Article III can be given effect to it is necessary first to execute the provisions of Article I. It has never been the practice to notify the Kwantung Authorities of the

change of the Commissioner at Dairen until after the Japanese Legation has been approached on the subject and concurs with the proposed arrangement. Mr. Fukumoto's successor has been duly nominated and when the Legation Authorities concur with the nomination, the Governor General of the Leased Territory will then be informed, in conformity with Article III.

And in adverting to Mr. Fukumoto's insubordination, Sir Frederick reiterated that in the annals of the Customs Service his recent defiance of legitimate orders, is without a parallel.

⁂

The Manchurian Customs situation as it stands at present is substantially as indicated below. Following the dismissal by the National Government of Mr. Fukumoto, the Japanese Commissioner of Customs at Dairen, all the Japanese members of the Customs service, 65 in number, resigned from the National service. Among those who resigned at Dairen was Mr. Goro Yoshida, the Deputy Commissioner, who had remained longer than the others owing to his having been appointed by the National Government to "carry on" following the resignation of Mr. Fukumoto. Almost immediately after he was dismissed, Mr. Fukumoto was asked by the Manchukuo government to collect customs duty at Dairen, and doubtless the same procedure will be followed as regards the other Japanese in the Customs service throughout Manchuria. In other words the Japanese will remain in the Customs service, the only difference being that they will be in the employ of Manchukuo instead of the National Government. On the other hand, the non-Japanese officials of the Customs service in Manchuria are reported to have refused the offers made to them by the Manchukuo government, and in the end this will probably work out that they will eventually find themselves without jobs. A typical instance of how things are going occurred at Harbin June 26 when about a score of police occupied the customs house in the absence of Mr. H. E. Prettejohn. There were three Russians and one Japanese in the police party, the others being Chinese. When Mr. Prettejohn informed the Customs Superintendent and the Japanese adviser to the Finance Department of Manchukuo that he would not hand over the office nor take service under Manchukuo he was informed that Manchukuo intended to take over the customs house, and the new Manchukuo flag was thereupon unfurled over it. Manchukuo Customs officials went on duty June 27 at Customs Service headquarters at Antung, Yingkow, Harbin, Hunchun (Kirin), Lungchingtsun (Kirin), Pogranichnaya, Aigun (Heilungkiang) and Manchuli, following the taking over of the services at those points the previous day.

The principal ground on which the Western nations would have based a protest to Manchukuo or Japan as regards the seizure of the Customs revenue would have been based on the fact that the security for foreign indebtedness had thereby been undermined. But a great deal of the ground for such a protest has been cut from underneath by an announcement made by Mr. Hsieh Chieh-shih, Foreign Minister of the Manchukuo Government, on June 26 to the effect that the Manchukuo Government would take its share of the burden for the amortization of foreign debts. The question of Japan's action as regards the Manchurian Customs came up for discussion in the House of Commons June 27 when a Conservative member stated that although Japan was usually very scrupulous in carrying out treaty obligations, would not Sir John Simon point out to the Japanese that they were breaking the spirit of the 1907 treaty relating to the integrity of the Chinese Maritime Customs? Sir John replied that the Japanese had not given any assurance with reference to the integrity of the Manchurian Customs since June 19.

⁂

Postal Service as Well as Customs to Be Seized

A Nanking message June 24 stated that it was reliably reported that beginning from July 1, the puppet authorities would compel the Chinese postal administion to use stamps printed by Japan and bearing the characters "Ta Tung Yuan Yi," that is, the first year of Ta Tung, "Ta Tung" being apparently the reign-title of the head of the puppet state, Mr. Henry Pu Yi. The Chinese Minister of Foreign Affairs was reported to have addressed a note to the Japanese Government calling its attention to the contemplated move on the part of the puppet government, seizing the postal administration in Manchuria. The note pointed out that should the move materialize, the Japanese Government would be held responsible for the destruction of the integrity of the Chinese postal administration, as the puppet government is a creation and under control of the Japanese authorities.

A *Reuter* telegram form Harbin, June 25, stated that it was fully expected there that the Manchukuo authorities would take over completely both the customs and postal services of Manchuria by August 1 next and possibly may do so on July 1. The Harbin customs house and all branches in North Manchuria where Manchukuo and Japanese troops are in control, including Manchuli, are flying only the customs flag, neither the Manchukuo nor the Chinese Republican flag being in evidence. But, of course, all customs stations in territory controlled by Chinese volunteers still fly the Republican flag. The postal service, meanwhile, is operating in accordance with an agreement signed in Mukden on April 27 last by a Chinese official of Manchukuo and the postal commissioner in Mukden. This agreement stipulates that there shall be maintenance of the *status quo* in the postal service until "divergencies have been adjusted" by Changchun and the Postal directorate in China.

A telegram from Hsinking, June 26, stated that the Finance Department of the Manchukuo Government started to take over all affairs of the Customs Service in Manchuria other than Dairen the previous day as it was considered that the dismissal of J. Fukumoto, head of the Dairen Customs, had ruptured negotiations between Manchukuo and Nanking. It was revealed at Dairen June 26 that the Manchukuo Government had sent a notice to the Kwantung Government on June 23, asking for agreement of the Kwantung Governor-General for Manchukuo officials to go to the Dairen Customs.

A *Rengo* message from Changchun, June 25 stated that a threatening situation was being witnessed as the Nanking government might issue an order to call back all the custom officials from the Manchurian customs. However, |continued |the |Japanese message, despite the prevailing stringent situation, the policy on the part of Manchukuo Government is adamant and that should said government fail in the taking over of the Dairen Customs, it was prepared to establish a Manchukuo customs outside and on the direct border of Kwantung Leased Territory, as a final measure. As the place for such Manchukuo Customs, Wafangtien had already been selected.

Minister of Foreign Affairs Lodges Protest

Dr. Lo Wen-kan, Minister for Foreign Affairs, addressed a strong note to the Japanese Government on June 25 protesting against the seizure and appropriation of the Customs revenue in Manchuria and the "interference with the Customs administration in Dairen by that Government in the guise of the so-called Manchukuo authorities."

After recalling previous communications on the subject and refuting the Japanese contention that the mat-

(Continued on page 184)

Honjo's Threat to Invade Peiping and Install Henry Pu-yi on the Dragon Throne

THE action of the Tokyo War Office in ordering the Fourth Osaka Division to North China, allegedly for replacing other Japanese troops at Tientsin and elsewhere, plus the activities of Gen. Honjo's Manchurian armies in the vicinity of Shanhaikwan, have tended to give credence to alarming reports that the Japanese General Staff has decided to invade the Tientsin-Peiping area with 200,000 troops before next September. The information is contained in an article by Mr. C. Y. W. Meng, correspondent for *The Review* in Nanking, who claims that this information was brought to Nanking and to Gen. Chiang Kai-shek at Kuling by Dr. V. K. Wellington Koo. In this connection, Mr. Meng critically comments on China's past policy toward Japan and suggests that Gen. Honjo's alleged ultimatum to the National Government and the League Commission have been responsible for Nanking's change of policy which statedly includes recognition of Soviet Russia and a somewhat lesser dependence on the League than has been the case since the beginning of the Manchurian complications. The crisis between the National Government and the Japanese puppet Manchukuo, aggravated by Manchukuo's recent seizure of the Manchurian customs administration, has been growing for some time. Last week the official *Kuomin* service stated that rumors were in circulation that Nanking might order a punitive expedition against Manchukuo and in addition the Japanese through their official *Rengo* service have attributed the serious "banditry" situation in Manchuria to Marshal Chang Hsueh-liang and have hinted that Manchukuo might undertake an expedition against the Young Marshal. As a result of this critical situation it was announced through *Kuomin* last Sunday that the Chinese troops in North China had been ordered to make plans for resistance in the event Japan attempted an invasion of the Tientsin-Peiping district.

Honjo's Ultimatum and the League Commission

BY C. Y. W. MENG 孟長詠

LEADERS in the National Government after conferring with General Chiang Kai-shek at Kuling, and General Chang Hsueh-liang in Peiping, have all expressed their satisfaction and have told the newspaper correspondents that "definite steps" have been decided upon in regard to various problems, diplomatic, military and financial. This supposedly includes the Manchurian issue. When pressed for further details in regard to the so-called "definite steps" the answer has been that the policy must remain secret and cannot be divulged at present, or to put it in the more official term, "it is not convenient as yet to disclose the details."

On one occasion with reference to the Sino-Japanese situation, Mr. Wang Ching-wei, president of the Executive Yuan, intimated that as a result of the Kuling conference, the government had decided to adhere to the policy so far consistently purused, but at the same time certain "mininum conditions," upon which the Government would insist in any settlement of the Manchurian question, were also determined upon.

Is There a Definite Policy?

Since the forcible occupation of Mukden by the Japanese forces last September, the National Government has adopted various policies to cope with the situation. At first, the so-called non-resistance policy was adopted, as a result of which the Japanese apparently were encouraged to be more aggressive than ever and as a result of which three provinces were lost in rapid succession. China, being unprepared for the situation, and being not ready to make a supreme sacrifice, choose the only course, which was to appeal to the League of Nations for justice and action to stay the Japanese. Then a policy of "stand and wait" was adopted; or to put it in other terms, a policy of relying upon the League's action for a settlement of the dispute with Japan. When the League's decision ordering the Japanese to withdraw their troops from Chinese territory was disregarded by the Japanese militarists in Manchuria, China merely "waited" for the next meeting of the League. When another meeting of the League was held and the decision that the Japanese troops should be withdrawn from Chinese territory, was again disregarded, China never pressed the League for an enforcement of its decision but merely "waited" for the next meeting. China was "waiting" for the coming of the Lytton Commission, and is now "waiting" for its final report, and will "wait" for the holding of the assembly of the League of Nations. According to report the Lytton report which should be handed in before September this year has been further delayed, and the holding of the League meeting is also said to have been postponed to December. That is to say China has to "wait" at least another half year! But the danger of the "stand and wait" policy is that while China is now bound by such a policy and cannot take any action pending the final report of the Lytton Commission and the definite action of the League's Assembly, the aggressive Islanders probably will go on and complete their scheme of actually annexing the whole of Manchuria. By that time, China probably will find that the invaders have so firmly settled down in Manchuria that China cannot fight against Japan because the volunteer corps which are now fighting very bravely in Manchuria will have so exhausted themselves that they cannot fight any longer; meanwhile the Chinese armies in other parts of China proper also will not be able to fight either; due to their participation in the bandit suppression campaigns or are too far from Manchuria to be of any use.

Since the Sino-Japanese "quasi" or "undeclared" war in Shanghai, the Government has changed its policy

(*Continued on page 182*)

The Sino-Japanese War at Shanghai: A Retrospect

BY HOH CHIH-HSIANG

(Continued from last week)

Feb. 20 was a fateful day. All means to a pacific settlement of the imbroglio having been exhausted with the failure of well-meaning efforts of the foreign Consuls, the situation left the belligerent parties no choice but to fight it out on the battle-fields. The Japanese had brought their Army here and were determined to use it. On the other hand, the Chinese having thus far successfully resisted were not prepared to listen to the enemy's dictates and to yield in face of mere threat without an appeal to arms. Thus, further and more bloody fighting became unavoidable and the whole of Shanghai, indeed the entire country, waited breathlessly for the fateful day to see what turned out of the day's events.

While the Japanese were perfecting preparations during the lull from the 13th to 19th, the Chinese had not been idle either. In fact the truce had been fully taken advantage of by the Chinese Commanders. By quick manuevres and strategic moves, the High Commands of the 19th Route Army had succeeded in reorganising the whole Shanghai defense into two Wings, the Right Wing and Left Wing and bringing up a reinforcement of two fresh Divisions: the 88th and 87th Divisions which formed the 5th Army. Gen. Tsai Ting-kai was made Field-Commander of the Right Wing, while Gen. Chang Chih-chung, Commander of the 5th Army, became Field-Commander of the Left Wing with Field-Headquarters at Liuhang. The Right Wing consisted of two Divisions, the 60th and 61st Divisions and was in charge of an extended line from Chapei to Kiangwan. The Left Wing was defended by the 88th and 87th Divisions with one whole brigade of the 78th Division in defence of Woosung. Thus arrayed, the Chinese Army was ready to face the Japanese onslaught.

Feb. 20 eventually arrived and the dawning of the day was heralded by a thunderous artillery bombardment, signifying that the Japanese Army after many days of inactivity and intimidation had gone into action. Like a smouldering fire, it suddenly flared up and spread far and wide across the entire battle front leading from Chapei to Woosung. On the Chapei front, the enemy commenced an artillery attack shortly after 6 in the morning and the bombardment continued late into the afternoon, when a large detachment of Japanese marines with the assistance of machine guns made an assualt from North Honan Road on the Chinese positions at Simmin Road and Paoshan Road. Serious fighting immediately ensued, when the Chinese defence units offered resistance. After a heavy duel of two hours, the enemy advance guards were held in check and finally driven back, resulting in over 60 casualties and the capture of a large number of rifles.

The line between Paitsichiao and Yangchialou on Chapei front was also subjected to a heavy artillery fire. Parties of Japanese attacking force scattered about and were extremely active in this sector. Mengkaichih which led to Kiangwan was fiercely set upon by a Japanese flying column and because of unexpected attack and small defense there, was occupied by the Japanese. The Chinese defense guards (one battalion of 60th Division) immediately sent an urgent call for reinforcement and in the meantime launched a counter-attack on the enemy. The Japanese put up a stiff resistance and it was not until midnight of the day that Mengkaichih was recovered from enemy hands. The casualties on Chinese side during this engagement included 3 officers and over 30 soldiers.

At Kiangwan, Japanese tanks were first brought into play. Preceded by a dozen such armored "monsters," over 2,000 Japanese troops with a detachment of cavalrymen made a vigorous attack on the Kiangwan Station which was defended by one regiment of the 60th Division. To make sure that nothing would not block the way of the tanks, the Japanese first resorted to the use of artillery and airbombers to bombard the Station and Chinese defense works. However the enemy miscalculated and forgot there were other means of checking its advance. A large area in and around the Kiangwan Station had been previously mined; Japanese tanks, ignorant or uncautions of this defensive tactics, hurriedly forged ahead and ran upon the mines, causing heavy explosions. As a result, six of the tanks were damaged and disabled. Here, this formidable modern armament of Japan was given a "showdown," much to exasperation of the Japanese Army Commands. The fighting that was initiated from early morning lasted up to 6 o'clock in the afternoon, when the attacking party withdrew behind its own defense. Late in the mid-night, the Japanese infantrymen made another bid to break through Chinese defense, but once more received a set-back. The engagement costed the Chinese quite a number of casualties, including one battalion commander and two company commanders injured, two squad commanders and over 40 soilders wounded and killed.

Kiangwanchen and vicinity were garrisoned by units of the 61st Division. Since Feb. 19, the Japanese had attacked the Chinese positions with heavy artillery and airbombers, setting the entire city on fire. On Feb. 20, the Japanese infantry units made repeated attacks on Chinese positions, covering their advance with a formidable array of tanks. The Chinese, despite their great disadvantages, firmly held their ground and succeeded in frustrating the enemy attempts.

The Left Wing Forces consisted of the 88th and 87th Divisions, the former being in defense of the Kiangwan-Miaohangchen-Wentsopang sector, while the latter guarding Woosung and Paoshan positions. In a determined attempt to penetrate the Chinese defense, the Japanese concentrated a whole day artillery bombardment of the positions of the 88th Division from dawn up to midnight on Feb. 20 in order to cover the Japanese land units to approach near Chinese positions. As a result of the intense artillery fire, the fortifications and defense works of the Division suffered enormous damages. At noon, a flying column of the enemy attempted to ford the Wentsopang Creek and storm Woosung, but on both occasions, they failed to achieve their objects.

The Woosung situation was featured by a joint air and naval attack. At 6.30 o'clock in the morning, three scouting planes appeared on Woosung horizon and at 9 a.m. the squadron was joined by three bombers, bombarding Chinese positions in all directions. In the meantime, a fleet of Japanese warships off Woosung trained their cannons on the Chinese defenses along the waterfront and discharged nearly 1,000 shells during the day. Besides seriously damaging the defense works, the bombardment also destroyed many houses and godowns.

On the same day, Japanese planes also raided Liuhang on Chapei front, Chenju and Nanziang along the Shanghai-Nanking Railway, seriously wounding the Station Master at the last mentioned place and killing many civilians.

Feb. 21 witnessed several important changes in the situation. Since the small hours in the morning, the Japanese opened their routine artillery attack on the Chinese defense line extending from Chapei, Tientungan, Paitsichiao up to Kiangwan Station. As a result of the shelling, a considerable number of houses caught fire, blackening the entire horizon along this extended front. After dawning of the day, the enemy infantry units under the cover of tanks and smoke screens pushed their advance into the environs of the Kiangwan Station and furiously attacked the defense guards. After a serious engagement for many hours, the Japanese succeeded in making some progress. Late in the night, the Chinese defense, in view of the conflagration then raging all over the vicinity and the consequent destruction of strongholds, abandoned Kiangwan Station without the enemy's knowing it.

Kiangwanchen was likewise a scene of a protracted sanguinary engagement, entailing heavy casualties on both sides. The main force of the Japanese 9th Division centered a heavy attack on the Chinese defenses in this sector which was guarded by the 2nd Regiment of 61st Division. The lone Regiment fought heroically and despite piling casualties, steadly checked the enemy advance. At the conclusion of the day's engagement, it was found that the Regiment was almost wiped out, while the Japanese also suffered heavy casualties, estimated at 1,000 men. During the night, the defence of Kiangwanchen was taken over by the 1st regiment of same Division, but the defense works were totally battered down and lost their effectiveness.

On the Left Wing, the 88th Division was defending the line from Yenchiachih and Miaohangchen. Japanese infantry units assisted by airbombers stormed the Chinese defenses. The two opposing forces separated apart by a distance of only 100 meters came into close grips. The engagement cost over two hundred casualties on both sides.

At 1 p.m. on the day, the second Japanese plane met with disaster at Shanghai war front. A fighting plane marked No. 846 was shot down by the light artillery squad of the 87th Division and fell at Tungkaichih in Liuhang. The plane was a complete wreckage when it came into

impact with the ground and its pilot named Tanaka ranked a Captain in Japanese Army service was killed and buried beneath the ruins.

On the Woosung front, Japanese naval and air forces continued their work of bombardment. Because of the heavy naval gun barrage, the Chinese defenses along the waterfront were totally destroyed. About three o'clock in the afternoon, five Japanese warships and a squadron of airbombers conducted a concerted attack on the Szetsiling Forts. The Forts garrison retaliated and returned fire, but due to the heavy fog, the gunners could not direct their aim and did not succeed in doing much harm to the Japanese vessels.

In view of the rumored attempt of the Japanese to land at Liuho, the Chinese dispatched the 6th Regiment of the 61st Division and one battalion of the Training Corps of the Central Military Academy to that locality for garrison duty.

Feb. 22 was made famous in the history of the short-lived Sino-Japanese War at Shanghai by the well-known battle of Miaohangchen. It was one of the decisive and bloodiest battles ever fought during the fighting in Shanghai. Humiliated by their failure in breaking through the Chinese line at Kiangwan after two days' sanguinary but futile engagement, the Japanese suddenly executed a strategic move and shifted the center of operations to the sector between Kiangwanchen and Miaohangchen. Since 5 o'clock in the morning, the main force of the Japanese 9th Division estimated between 8,000 and 10.000 men launched a frontal attack on the defenses of the 88th Division in that sector. Overwhelmed by the huge force and the furious artillery fire, the 3rd battalion of the 527th Regiment of the Division weakened and one point of its garrison was broken in by the enemy. Gen. Yu Chih-shih, Commander of the Division at once hurried to the front the entire reserve but despite the reinforcement, he was still unable to check the Japanese onslaught. In order to cope with the critical situation, Gen. Li Yen-lien, vice-Commander of the Division, rushed to the front at the head a fresh detachment commanded by Brigadier-Commander Chien Lun-ti and vice commander Chen Pu-min and one labor Battalion under Col. Tang Hsun. This new detachment together with the general reserve carried out a counter-attack and fought a desperate fight with the Japanese occupying force. Serious fighting at once developed. In a short while, Brigadier-Commanders Chien and Chen were wounded during action, while Col. Tang of the Labor Battalion fell dead on the field. The situation became increasingly critical with the Japanese steadily forging ahead. At 8 a.m., Mukaichih, a point just a little south of Miaohangchen was stormed and taken by surprise by the Japanese and as a result, the entire line was in danger of collapsing. At 9 o'clock, the news of the reverse reached the Headquarters of the 19th Route Army and was received with a measure of unrestrained alarm, because unless the Japanese onslaught be checked, the whole Shanghai defense would collapse. Resolved to recover the lost positions at any sacrifice, the Staff Office of the Headquarters swiftly decided upon new tactics to cope with the crisis and mobilize the entire Chinese force into action. In order to distract the attention of the enemy, a feigned attack was made upon the Japanese on Chapei and Kiangwan, while at the same time a combined counter-offensive was laucnhed on the main force of the 9th Division. As the day was approaching noon, the new strategic move was put into execution. The 259th Brigade under Gen. Sun Yuan-liang of the 87th Division pushed up to the Miaohangchen front and launched a simultaneous offensive on the enemy together with the main force of the 88th Division. Gen. Chang Yen, Vice-Commander of 6th Division leading a detachment of two regiments executed a flank attack on the enemy from the right, while the 258th Brigade of the 87th Division under Gen. Sung rushed across the Wentsopang Creek and swoop upon the enemy from the left. As a result of this joint counter-drive from three directions, the Japanese push was stemmed. Thus, fighting raged with the tide of the fortunes of the war swinging to and fro, but in the afternoon, the Japanese advance was defenitely held in check and after further fighting late into the night, the enemy was finally dislodged from its occupied points. The enemy suffered heavily due to its stuborn resistance and at Chinmuchih, a large party of the enemy was surrounded and wiped out by the Chinese. The total loss is placed at over 2,000, while the Chinese casualties ran into still greater figures. Thus, this well-known battle of Miaohangchen was concluded with the Japanese failing to achive its desired objective. During the battle, the Japanese planned to break through in the vicinity of Miaohangchen and cut off the Chinese link between Chapei and Woosung. But the Japanese once more miscalculated, when the entire Chinese defence force got into action and foiled their attempt. The heavy casualties suffered by the Japanese during the battle caused the greatest concern among the Japanese population in Shanghai and but for the lack of reinforcements and supplies, the Chinese would have scored an unqualified victory and brought about the total collapse of the Japanese line.

The Woosung front was fairly quiet during the morning, but about 4 o'clock in the afternoon, a squadron of nine Japanese warships, four from Upper Yangtsze and the other five from South Seas, conducted an intense bombardment on the Szetsiling Forts lasting for three hours. As a result of this heavy concentrated fire, the Forts already badly damaged by previous bombardments were completely demolished and lost effectiveness as a defense.

(To be concluded)

British Boxer Funds for Kiangshan Railway

In connection with the loan which the Board of Trustees for the British Boxer Indemnity Refund has agreed to grant to the Chekiang Provincial Government, a Nanking telegram states that the sum of £200,000 sterling, promised for the completion of the Hangchow-Kiangshan Railway across the province of Chekiang, will be utilized exclusively for the purchase of railway material from Britain. To readjust the administration of the Hupeh-Hunan section of the Canton-Hankow Railway, the Ministry of Railways has ordered that a sum of $50,000 be set aside every month by the Peiping-Hankow Railway Administration as a loan to the former Line. The Hupeh-Hunan Railway itself has also been instructed to retain all proceeds from the recent increase in its tariff for the same purpose. In both cases, the amounts are to be appropriated from June for a period of six months.

Railway Police Administration

It is announced from Nanking that Railway Police Administration Offices attached to the various Government Railways will be formally inaugurated on July 1. The following Directors and Vice-Directors have been appointed:

Peiping-Hankow Railway: Sa Lien and Chen Kang.

Tientsin-Pukow Railway: Shang Li-an and Hsiung Kang.

Lung-Hai Railway: Chang Kuo-hua and Yin Yao-nan.

Kiaochow-Tsinan Railway: Tai Shen-hai and Wu Shang-pin.

Peiping-Suiyuan Railway: Yu Tien-lang and Ho Hui-pei.

Peiping-Liaoning Railway: Wang Nai-i and Hsiung Pao-shan.

Shanghai-Nanking and Shanghai-Hangchow Railways: Ma Shao-pin and Teng Liang-sheng.

The Japanese Version of the Peiping Conference

China's policy vis-a-vis the present Manchurian situation, and other important foreign as well as domestic policies are believed by the Japanese *Press Union* to have been thoroughly discussed and practically fixed at the recent conference of important Nanking officials and Marshal Chang Hsueh-liang.

As the result of a series of conferences, it is reported that the following important policies were decided:

1.—The diplomatic relations between China and Russia shall be speedily restored to China, the object in utilizing this restoration of relations, being to accentuate the disturbances in North Manchuria.

2.—The position of the anti-Communist expedition shall be left as it is for the time being.

3.—The compromise between the Canton and Nanking political factions shall be achieved immediately in order to present a united front during this time of national crisis.

4.—The disturbances in South Manchuria shall be encouraged actively by Marshal Chang Hsueh-liang. Chu Ching shall be named the commander of various volunteer patriotic troops.

In the meanwhile, Dr. Wellington Koo is to direct China's policy vis-a-vis the League of Nations, and T. V. Soong will remain in charge of China's finance. The conference is also reported to have evolved a program to accentuate the disturbances in Manchuria, with the object of demonstiating Japan's impotence in maintaining peace and order in the area.

Battles Around Harbin

(*By the Review's Correspondent*)

Harbin, June 16, 1932.

Significant battles and clashes of minor importance between the Japanese and the Chinese troops in Manchuria occur as often as before. It is not without great difficulty that the Japanese have attained some success. After the Japanese had beaten off the attacks of the troops of Gen. Ma Chan-shan marching on Harbin, the Japanese expeditionary forces numbering 50,000 soldiers were divided into several columns, as required by the circumstances and strategics, and were set to pursue the retreating northward Chinese troops. The Japanese troops have a great advantage over the Chinese troops in that they have perfect military bases in centres situated on the chief lines of communication of the country, have munitions, money, provisions, etc. in plenty; they also outnumber the Chinese and exceed them by far in technical equipment. In all their operations the Japanese troops compel the Chinese New Kirin troops to assist them. The number of the latter troops cannot be determined because of the absence of any available data at hand. The New Kiriners never let a chance go by to go over to the side of the Old Kirin troops—as was recently the case with a detachment that had been stationed as a unit of the garrison in Old Harbin, but left the town and went to join the army of Gen. Ma. There were several other occasions when units of New Kiriners failed their Japanese allies. To prevent this the Japanese now set up mixed garrisons consisting of Chinese and Japanese military units. Both sides of such garrisons watch each other most closely: The Chinese so as to get a chance to make an escape; and the Japanese in order to prevent such an escape. In case the Chinese give even a slight inkling of their making ready to leave the place on their own intiative the Japanese inflict upon them a severe punishment.

At the beginning of last week the armies of Gen. Ma, Gen. Li Hai-tsin, and Gen. Tsai Hung-yu were reported to have been put by the Japanese in such difficult circumstances that they lost all power and ability to conduct the campaign. But now they are reported to have rallied again so that at some places of the battle-front they started an offensive movement. The staff of Gen. Ma is somewhere about Hailun, the northern terminus of the Huhai Railway. The troops of the other two generals mentioned above are at places in the north-east of Suihwa, a town about 100 kilometers north of Harbin on the Huhai railway. Besides these troops who form at the present time the chief body of the Self-Defence Army there are numerous detachments of various numbers. These are scattered all over the country. They roam about seeking an opportunity to molest the Japanese troops. One of such detachments was recently operating in close proximity to Harbin. It attacked several times the garrisons of the Ashiho station and the town of Utsia. And on June 12 afternoon it attacked the Japanese outposts guarding the roads into Harbin. The Japanese immediately sent reinforcements to the outposts and a significant battle lasting, with some intervals, for about 20 hours, ensued. The fighting, during which the firing was perfectly audible in all parts of the city, caused great excitement among the population of Harbin, especially in the outskirts of the city that happened to be nearest to the battle-field. The excitement culminated when rumors spread that soldiers of a detachment of the New Kirin Army stationed in a suburb of Harbin disobeyed the command and displayed an ostensible tendency to loot the suburb. Some of the soldiers tried to raid houses. But prompt measures taken by the authorities put an end to the lawless action of the soldiers.

To allay the anxiety of the residents caused by the prolonged fighting the Japanese Military authorities at Harbin had to assure the population through the press that there was no danger of Harbin being taken by the asaulting troops, and that the Japanese troops in the city were numerous enough for a successful defence of the city.

The Leaders Are Reported at Variance

If reports in the local press are correct, some of the leaders of the Old Kirin Army are going to retire from the active leading of their troops. They seem to disagree on some points of the plan of the campaign. Some of them are reported to have come to a conclusion that with the scanty means they have and, receiving no support from anywhere, their further struggle is useless to the people of the country.

The retiring of the leaders, if it actually takes place, can not be thought as an end of the fighting between the Chinese and the Japanese in Manchuria. For the development of the events has taken such a course that many countrymen of Manchuria take up arms regardless of whether they are swayed by generals or not, and go to fight the Japanese expeditionary forces. The lack or absence of arms or munitions does not stop them. They forge swords and spears, form themselves into military units, elect a leader from among themselves, and go to battle. In this way have been formed several detatchments of the Brethren of Large Swords, and the Brethren of Red Spears. They are armed with primitive swords and spears. Their units are organised on a semi-religious basis and in many cases are led by Buddhist monks.

A Chinese Woman Leads Troops

According to the reports in the local Russian press a young Chinese woman clad in black and armed with a pair of pistols was seen at the head of a small detachment of Chinese troops operating in the area around the eastern line of the C. E. R.

The Chinese at Hailar Forge Swords

So far the Japanese troops have overrun that part of North Manchuria lying to the east of the Hingan Ranges. The Chinese population of the country lying west of the Hingan Ranges, fearing that the Japanese troops may invade their country too, make what preparations are within their power for fighting against them. People arriving from Hailar say that all the black-smiths of that town are busy forging swords to be used by the people there in their defence against the Japanese troops, if they appear there. Up to this time no disturbance whatever has taken place in that section of Manchuria. A number of Japanese subjects seem to continue residing at Hailar, as before.

Change in the Administration of Barga

Reports in the local press state that the Ampan (Governor) of Barga, Inner Mongolia, Prince Gwi-fu, by order of the Supreme administrator has been appointed a member of the State Council of Manchukuo. His eldest son Prince Ling-shen has been appointed instead of his father to the post of Ampan of Barga.

According to the treaty of November 8, 1915 made by China and Barga, the Ampan of Barga is to be elected by the Mongolians from among the Uheridas, district governors of Barga, and his election to be sanctioned by a decree of the president of the Chinese Republic. Article One of the treaty provides that Barga, constituting a special Province is directly subject to the Central Government of the Republic of China.

The Japanese Scramble for Business in Manchuria

June 18, 1932.

Many Japanese display unusual eagerness in their exploring and investigating of North Manchuria as to the economic possibilities in the country. In spite of the fighting still raging at various places in Manchuria, Japanese explorers and investigators neglecting the danger not only of getting into trouble, but also the danger of losing their lives, undertake trips to different remote places in Manchuria with a view to opening various enterprises. Some time ago a dozen of such Japanese investigators were reported to have lost their lives at a place in the northern section of Heilungkiang Province. Their object in the travelling apparently had been to reach the extreme northern regions of the province, containing gold deposits.

Although the war activities in areas about the Sungari river have ceased, and the places neighboring to the banks of the river have been cleared of hunghutse, voyages by that river are still unsafe. Yesterday a steamer sailing up the river was attacked by a band of hunghutse, who after firing on the steamer boarded her and robbed the passengers and the crew. The captain, a Russian, was killed and the boatswain wounded. But in spite of this and other reports warning the public against the dangers of being robbed or killed a group of 23 Japanese merchants went recently on board a ship to towns in the lower reaches of the river. Every Japanese merchant seems to be in a great hurry to reach some place or other in the interior of North Manchuria. And his hurry may be accounted for by his desire to establish himself before others at a place most advantageous in commercial or industrial respects.

The Japanese Community of Harbin Increases

Since the occupation of the city by the Japanese troops on February 5 the number of the Japanese residents in Harbin has grown from 3,000 on that date to 10,000 people. It has been reported that 50 Japanese families are on their way from their homes in Formosa to North Manchuria where they are going to take up their fixed residence. These immigrants are said to be encouraged to

leave their warm island for cold Manchuria by the fact that Mr. Sey, their compatriot, took the citizenship of Manchukuo and had bestowed upon him the office of Minister in the government of the state.

Japanese Ex-Militarists to Police Manchuria

Much importance has been attached to the conference of the representatives of the ex-militarists, officers and privates, of the Japanese reserve army, in session at Mukden, at which it was resolved to offer service on the part of the ex-militarists to the Government of Manchukuo for restoring and keeping order and policing all the important centers in the country. The conference was presided over by Gen. Sutsuki. All the units of the Japanese Reserve Army were represented at the conference. Gen. Sutsuki is expected to visit Harbin in the near future. The Japanese authorities in Harbin are of the opinion that order and peace can not be soon restored in Manchuria, unless the matter is taken fully into Japanese hands.

How Many People in Manchuria?

According to the statistics given by the *U-Pao*, a Chinese paper published in Harbin, the total number of the population in Manchuria is 29,300,000 people, distributed among the provinces as follows:

Mukden Province	15,233,000
Kirin Province	7,635,000
Heilungkiang Province	3,755,000
Hingan District	350,000
Jehol Province	2,262,000
Barga District	65,000

The Wreckers Are Detected

The Chinese railway police, assisted by the Japanese corps of gendarmes in Harbin, are reported to have succeeded in detecting and arresting ten Chinese and Russians workers of the C.E.R. who allegedly caused the wreck of the train carrying Japanese troops on April 12 last near Harbin. According to the reports a certain Bai-Gun-shin who played the leading role in the whole affair escaped to a woody and mountainous part of the land, where he has organised a band of hunhutse, of which he is now the chief.

A large number of Soviet Russian residents of Harbin were arrested by the police of the city following the wreck of the train. A few of them during the interval were shortly afterwards released, but all the rest are still kept imprisoned. They have more than once gone on a hunger strike demanding to be guarded not by Russian White Guardists in the employ of the Police, as they are guarded now, but by Chinese policemen; to be permitted to have interviews with their relatives; have asked for an early trial, to be permitted exercise, to be visited by the Soviet consul, etc. The latter two demands seem to have been satisfied, but not any of the others. One of the imprisoned, Vasilief by name, died in his cell or in the prison hospital, no one knows for certain which; there has also been much talk as to what caused his death; a post mortem examination was made but the results have not been made known to the public. Another, Butshatsky by name, became insane, suffering from mania of persecution. He has been released on bail, and is now at his home undergoing medical treatment.

To the great sorrow of the Russian community of Harbin there are among the imprisoned children, boys and girls, from eleven to fifteen years of age. The daughter of Mr. Pumpiansky, assistant manager of the Mukden branch office of the C.H.E., is one of the prisoners. She is but fourteen years old. Her father is lying sick in a hospital. He is said to be in a critical condition. Nothing has been made known through the press or otherwise, but gossips say that the children are subjected to cross-examination lasting in some cases for four hours in succession. Some time after the arrests were effected it was reported that they had been made in connection with the wreck of the train. Now that the actual culprits have been detected and caught it is hoped that those arrested on suspicion will soon be released.

The Soviets Continue Preparations; The Japanese Express Surprise

The Russo-Japanese relations run smooth, on the surface at least. There has not been any marked controversy between the two countries on the Manchurian affair. Their relations even seem to develop along the course of friendliness. It has been reported that an agreement of considerable importance was of late reached between Hirota and Karahan on the questions of fisheries in the Russian Far Eastern Seas.

Nevertheless the Soviets continue to bring themselves to a better state of preparedness for any eventualities in The Far East. The Soviet troops remain concentrated along the Manchurian border; the latter being continually strengthened through fortification works. And more troops are reported on the move to the Russian Far Eastern provinces from the Caucasus, where due to the conclusion of the reciprocally non-agressive pact with Turkey the Soviets need not keep as large a number of troops as they had to before. Every train leaving Harbin for Russia carries away anumber of families of Soviet railway employees. About 30 families departed during the last week.

Nichi-Nichi Shimbun, a Japanese paper published at Harbin, pointing out in its recent issue the fact of the continued effiux of families of Soviet workers on the C.E.R., expresses surprise saying that such an exodus of Soviet subjects from Manchuria is quite incomprehensible to the Japanese; for, the paper says, the very thought of a possibility of a Russo-Japanese war is absurd.

According to what can be gathered from reports in the Manchurian Russian Press the Japanese troops display a move farther towards the Russo-Manchurian border, which movement, the reports state, is indispensable to the Japanese expeditionary forces for a complete defeat of the Old Kirin Chinese troops, and clearing the country of the bands of hunhutse.

"Shanghai Incident Is Good Lesson to Chinese"---Nomura

"The Shanghai incident drove home with a punch to the minds of the Chinese multitude the fact that it would never pay to unsheathe the sword against Japan," declared Vice-Admiral Nomura, commander-in-chief of the Third Japanese Fleet, aboard the limited express *Fuji* before it arrived in Kyoto from Sasebo, according to the English edition of the *Osaka Mainichi* of June 17.

"In that light we may consider what was achieved at Shanghai extremely tangible and I have no doubt that the future Sino-Japanese negotiations will show better results on that account."

Rear-Admiral Shimada, chief strategist of the Fleet, is quoted as saying that the best way to secure the safety of lives and property of Japanese and other nationals would be to bar Chinese troops entirely from Shanghai, regardless of the outcome of the proposed Shanghai round-table-conference. "The reason why Chiang Kai-shek has refrained from approving such a proposal is purely domestic. Supposing he should agree, he knows quite well that the Chinese masses would show frowning disapproval. Although still the head of the Nanking Government, he doesn't appear to wield as much influence as he once did." Admiral Shimada said.

Taxes to Be Remitted in War-Torn Area

In order to expedite the rehabilitation of the districts ruined by the recent Japanese invasion of Shanghai and Woosung, the National Government has authorized the Greater Shanghai Municipality to announce that inhabitants in the devastated areas will be granted either complete remission or reduction of various municipal taxes and levies. According to these measures, house rates in the devastated areas will be completely remitted for the two seasons of spring and summer. Remission or reduction will also be granted in the case of license fees for cars, outdoor advertising, ferry service, amusement resorts, booths, markets and tea-houses.

It is pointed out that enforcement of these measures will entail a loss of about one million dollars to the municipal revenue. In this connection, it may be noted that the Greater Shanghai Chamber of Commerce has gone further and submitted a petition to the Executive Yuan urging the complete remission of *national* as well as *local* taxes in the areas ruined by the Japanese invasion.

Chinese Refugees From Manchuria Constitute Problem

In view of the large influx into various northern provinces of Chinese refugees from Manchuria, the Executive Yuan has issued orders to the Provincial Governments of Hopei, Shantung and Honan, and the Municipal Authorities of Peiping and Tientsin instructing them to make arrangements in conjunction with local charity organizations for the accommodation and relief of these refugees. The order also instructs that as most of the refugees are homeless and therefore not in a position to return to Manchuria, steps be taken to secure for them suitable employment in public or private enterprises so that they may earn a livelihood for themselves.

What Will Happen When the Filipinos Become Free?

(BY AN AMERICAN OBSERVER)

Governor-General Roosevelt on June 24 signed an order revoking immediately a customs order recently made relating to the entry of foreigners into certain Philippine ports. This customs order was issued by acting Governor-General, George C. Butte, on February 24. It closed all Philippine sub-ports to foreigners. and was designed to prevent the illegal entry of Chinese into the islands and also to prevent the inflow of Japanese subjects to Mindanao. The Governor-General has now revoked the order because of the discovery that the ban on such entry violated the existing United States treaties governing passports.

WHEN Theodore Roosevelt, Jr., son of the late President Roosevelt, arrived here at the end of February and swore the oath on his father's old bible to uphold the government of the Philippine Islands, he was facing a difficult task. If the Congress some day passes the Philippine Independence bill, he, or whoever then occupies his place, has to face a program of slowly turning over the country to the Filipinos, eliminating every American from the government service, and replacing them with natives. Because of "T. R.'s broad grin, outspokenness and friendly handshakes he already has made many friends among the Filipinos. He made a very good start by plunging into a campaign against usurers. That brought him the support and approval of practically every governmental servant, because most of them, under-paid as they are, have been at the mercy of loan sharks. He has given balls and receptions and mingled in a friendly manner with the Filipinos, high and low. He has travelled into the country hunting big game and meeting priests, planters and taos, and he has slapped their backs. He has had a smile for everyone of them and he has become popular in every dialect of Luzon. On the other hand, he has become very unpopular with the American population, by abolishing the race line at the American Central School—all in the sacred name of economy—a gesture widely applauded by the Filipinos, but, needless to say, putting every American parent into a rage.

What will happen should the independence bill not pass, is not hard to guess. Being the highest representative of the United States government in the Islands, he at once becomes the personified America and his grins and handshakes and friendly words will be easily forgotten.

Somehow, one feels that some day in the near future independence is coming. It is in the air and in the mind of everyone in the Philippines. Americans and foreigners alike, who have domiciled themselves in the Islands, are liquidating their holdings, especially real estate, and are planning to re-establish themselves once more "back home."

Location Not Strategically Favorable

From a military point of view the Philippine Islands occupy a geographical position which cannot be called strategically favorable. Located within easy reach of Japan, Borneo, Hongkong, Singapore, Dutch East Indies and Australia, they would be a dominating factor in the hands of an aggressive power, and fear has been expressed that particularly Japan would like to put her hands on the Philippines the moment United States steps out of the Islands. United States has made it clear, that as soon as the Philippine Islands receive their much coveted independence, they will withdraw every protection, economic as well as armed, and that the young nation will have to stand on its own feet. Many symptoms, however, point that unless checked by unexpected patriotic incentives—or a strong leader, whether president or dictator—there is imminent danger of instant disorganization of every phase of the political or economic structures of the Islands the moment Uncle Sam presents the Islands with their much coveted liberty. A common prediction is factional strife. In time Japan will become the logical pacifier, and promptly annul the Islands as an independent political entity. Furthermore, their dormant natural riches are yet unexploited and could supply the new mother country with surplus quantities of all food products that it needs, besides hemp, hard lumber and any amount of minerals. Coincidentally, the largest hemp plantations on the Island of Mindanao are already in the hands of Japanese developing companies. Japanese fishing vessels abound in the Philippine waters. Japan's interest in the Islands has caused the alarmists to raise a hue and cry; in fact, there was at one time, question of closing the port of Davao in Mindanao for the Japanese. Happily, for the sake of international relations, these plans did not materialize.

The Spanish Regime

When, in 1898, Spain was forced to withdraw from the Philippines and the United States—paying twenty million dollars for the privilege—took over the island territory, it was in a state of decay. Spain had little interest in the moral or educational uplift of the Filipino people, although they were vitally interested in the natural resources of the Philippines. The country was overrun with friars, who owned colossal tracts of land—and they still own many of them. Gold, sugar, hemp and copra from the Philippines were filling the money chests of Spanish merchants, while very little was done for the education, sanitation and general uplifting of the population.

Upon taking possession of the Philippines, the United States at once started on a gigantic sanitation campaign; the next step was to bring one or two shiploads of heroic American school teachers across the Pacific. These were dispatched to every nook and corner of the Islands, including the wild and unfriendly regions which were populated by headhunters, human sacrificers and hostile Mohammedan Moros. Today, thirty-three years later, one can find lofty school houses in the most remote parts of the seven thousand islands of the archipelago. And one should not be surprised to find a husky Igorote, still naked, (but for a gee-string) his beloved headaxe in his belt (because he still sticks to the custom of his forefathers with which the American authorities, with the exception of actual headhunting, have not interfered) addressing an inquisitive visitor in English. The Moro datu of Tawi-Tawi, the firewalker of Cavite and the feather-crowned Ibilao chief of Northern Luzon—they all know their three R's as well as any American farmer.

The school language has been English, which has been a unifying factor among the vari-lingual tribes of the Islands. To select any of the ninety-odd native dialects would have caused jealousy among the other "slighted" language groups. As it happens, Tagalog, the largest dialect group of the island of Luzon is the one dominating around Manila, the administrative center of the Philippines, and therefore has been officially accepted —by Manila politicos!—as the future national idiom. The Visayans in central Philippines will not accept this, nor will the Ilocanos of Northern Luzon. As to the Moro of both Mindanao and Sulu, he cannot understand a word of Tagalog. He has been taught English in school and conducts his official business as well as the intercourse with the neighboring Christian people, in English. To him the language problem is eliminated.

The general knowledge of English furthermore puts the Filipino one step ahead of other Malayan people in question of commercial and—why not?—international relationship. It puts him in a class among the "educated" nations of the Far East.

However, the liberty of the Islands is actually in sight. This has, strange to say, forced the language question in the Philippines into the foreground. America's present liberal policy—that of "Filipinizing" the whole insular governmental machine—has been a triumph in the hands of those politicos, who have made the "national language"—Tagalog—their hobby, and the inter-island language war is on. Not one of them has thought of favoring English; perhaps an expression of their desire to blot out all memories of the oppressors, "los Americanos."

During these thirty-odd years of American occupation the Philippine Islands have made remarkable progress. For once, we Americans may as well pat ourselves on the back. Thousands of kilometers of first class roads, most of them demanding unusual engineering skill, today wind through hazardous, mountainous districts. Hundreds of bridges have been erected, many harbors

and rivers deepened. Manila, today, is one of the healthiest cities of the world. Epidemics are practically unknown—not only in the capital, but also throughout the Archipelago. Its fourteen million people behave themselves better than the population of Chicago. The currency, backed by the treasury of the United States is, of course, one of the most stable in the world. The pest-infested moats around the old wall of Manila have been filled and have been transformed into an 18-hole municipal golf course. What once was the vice district of Manila, around Escolta, is today the modern business section, while Intramuros—the Walled City—remains practically untouched, although cleaned up for the benefit of the tourists, a multitude of padres and their monasteries. Although one of the hottest tropical cities of the world, one can easily escape its tropical unpleasantness by going to Baguio, a mountain resort. It is really a small American country club town, a sort of glorified golf course. It is located within easy reaching distance from Manila, within a district, which once was the heart of headhunters' land. To give the American administration credit, it has erected here up-to-date hospitals and recreation camps for heat-fatigued government officials and school teachers.

Bureau of Science and Research

Another important achievement is the Bureau of Science and Tropical Research, under the direction of an American scientist with both Filipinos and foreigners as heads of its departments. The serum laboratory of the Bureau has saved many lives; deaths from snake bites and hydrophobia are uncommon. Vaccines against practically every known tropical disease are prepared and patients by the thousand are treated gratis.

Manila is the base and winter station for the United States fleet. It has been a healthy counter-weight and quietening factor in the unruly affairs of the Far East. The sudden appearance of a squadron of American men-of-war at Shanghai, undoubtedly played an important part in the last Sino-Japanese crisis. With the withdrawal of the United States from the Philippines and the abandonment of ex-territoriality in China, America will have no other interests in the Pacific Islands but Guam, Samoa and Hawaii. Japan is handed the control of the Far East. Once she occupies—if she does—the Philippines, she will take them for good, without any promises of future autonomy. She needs the Philippines as a means of colonization and exploitation even more than she needs Manchuria. No doubt, she will force her own language as a "unifier" and introduce into the country a police government of the same type she has forced upon Korea, Formosa and Manchuria.

It seems to this writer that if Uncle Sam withdraws from the Phillippines at the present moment, he is taking a heavy moral responsibility upon himself. Instead of giving liberty to the Filipinos, he is putting them into Asiatic peonage. Of course, guarantees will be demanded of and probably given by neighboring powers for non-interference with the independence of the Philippine Islands but it is not likely that Japan will join the guarantors or if she does recent experience has shown that Japan's guarantees mean little to that military dominated land.

Manila, P. I., June 24, 1932.

Dr. Kuangson Young Delivers Address in Nottingham, England

Dr. Kuangson Young, the Chinese Consul-General in London, recently delivered an address at the Albert Hall Institute, Nottingham, on "The War in the Far East," under the auspices of the League of Nations Union. In the course of his remarks Mr. Young said: "The whole basic problem of the Far East is Manchuria, which is really three provinces of China. Historically, Manchuria is Chinese. As early as 400 B.C. there was active Chinese administration in South Manchuria and Korea. Until the beginning of this century Manchuria had never attracted international attention. The Japanese argument was that Japan was over-populated and must find an outlet. Because she could not go to Canada, America or Australia, she must go into Manchuria, which belonged to China. The argument did not ring true. China has no desire to repudiate the just treaty rights legally granted either to Japan or other countries. What China and Japan could not agree upon was what those treaty rights were. China would agree to them being determined by an international tribunal, but Japan declined international mediation and elected to use force."

Yokohama Specie Bank President Reviews World's Finances

The speech of Kenju Kodama, president of the Yokohama Specie Bank, made at the ordinary general meeting in Tokyo March 10 has been printed in pamphlet form. Mr. Kodama's review of the financial state of the world and of the Far East in particular is very comprehensive. One of the most interesting parts of his speech was the following concerning China:

"President Chiang Kai-shek of the Nanking Government in concert with General Chang Hsueh-liang, *de facto* lord of the Three Eastern Provinces, succeeded early in this period in bringing North China under his influence, and was apparently able to spare sufficient forces for the suppression of the Communists in the Yangtsze Valley. But the traditional policy of chauvinism, which he employed as a means of winning popular support, eventually gave rise to trouble and disturbances in several districts. In Manchuria, the Wan-Pao-Shan incident occurred early in July, followed by many other similar incidents and, with the outbreak of the Manchurian troubles in September, the situation was even further aggravated, the whole of the anti-foreign agitation in various places being focussed on Japan. On the other hand, during the months of August and September, the greatest floods that had ever been experienced in the history of China, occurred in the Yangtze Valley, the economic heart of the country. It was reported that an immense area extending over 100,000 square miles with a population of upwards of 30,000,000 inhabitants was under water, the floods ruining natural resources, the restoration of which would be the task of many years to come. Under the circumstances, the revenues of the Government were seriously affected, and the position was rendered worse by the seizure of the local customs revenue by the Canton and Shantung militarists, as well as by the slender yield from the new taxes which were imposed on the abolition of the "likin." To tide over the difficulties, the Government made every effort to float new domestic loans and, when this ended in failure. the services of the national bonds fell in arrears, while their market price dropped, with the result that the foundation of the domestic banks became endangered and the situation was only saved from disaster by the three Chartered Banks advancing money for the payment of coupons and drawn bonds."

Soviets Embark on Development of Silk Cultivation

Silk cultivation is to be developed on a large scale this year in Kazakstan, Kirghizia, Crimea, Bashkira, North Caucasus and the Lower and Middle Volga as well as other parts of the country, according to a decision of the Economic Department of the Soviet Government. According to the plans worked out mulberry trees will be planted over an area of 9,275 hectares, and large extensions are planned for the ensuing years.

Valuable Minerals Discovered in Central Asia

The Research Commission of the Soviet Academy of Science, which was recently despatched to Central Asia, has discovered extensive deposits of mercury, antimony, radium and pearl-spar in the district of Southern Ferjana.

The new chemical plant that has been under construction for some time at Tomsk, Siberia is now completed and has commenced operations. For the present the plant will produce artificial drying oil, of which an output of 500 tons is expected before the end of the year. Additional departments for paints and lubricating oils are expected to start working in the near future.

Nickel has been produced for the first time in the U.S.S.R. The experimental electric furnace of the Ural Machine Plant, recently mounted, for the purpose of producing high grade steel, has been tested on nickel-producing possibilities, with a result of 400 kilograms.

Rice-Sowing by Airplane in Soviet Russia

In May, 1931, the first experiment in rice-sowing by airplane was carried out in Soviet Russia following a similar experiment made in California. The experiment has shown excellent results in increased productivity. The fields sown by airplane yielded 44.16 centners per hectare as compared with 35 centners from other fields. This year 7,000 hectares of rice plantations will be sown by airplane. Soviet agricultural experts predict a great future for this important change in agricultural technique.

First Shot of Canton-Hainan War Fired in Macao

(By Our Canton Correspondent)

THE first shot of the long expected Canton-Hainan war consequent on the quarrel between General Chen Chi-tang (who represents the military party ruling Canton) and Admiral Chen Cheh (the dismissed former head of the Canton Navy) was fired in the Inner Harbor of Macao early on Friday morning, June 17, following a bold attempt by 3,000 of General Chen Chi-tang's soldiers to capture four insurrectious gunboats, including the cruiser *Chungshan* under the Admiral in the Chungshan district. The gunboats under the direction of their cruiser offered stubborn resistance and in a spectacular battle with the land force in which machine-guns and light artillery were freely used, the gunboats succeeded in getting clear away from Macao.

The Government troops were under the command of General Liang Kung-fook, who made a surprise attack on the gunboats shortly after dawn. These soldiers crossed from the Chungshan district to Lappa Island in Macao where the gunboats dropped their anchors. Acting on the instructions of the Canton Government the military commanders directing the operation had previously informed the Macao Portuguese Government of the possibility of the defeated marines on the gunboats retreating to Macao City. The Portuguese authorities consequently maintained an alert lookout and warned the gunboat commanders of the grave consequences if they fell back by landing in Macao. The Portuguese officials threatened to disarm them.

But things turned out in favor of the marines, who retaliated the fire of the soldiers under General Chen Chi-tang and after a grim battle lasting about an hour in which both sides suffered many casualties the cruiser *Chungshan* and gunboats *Ping Sai*, *Woo Shan* and *Feiying* sailed away for Hainan to join the main body of Admiral Chen Cheh's insurrectious marines, numbering about 5,000 men, together with other rebellious gunboats and airplanes.

Thousands Witnessed the Battle

Coming back to the hostilities of June 17 it is understood that the most serious firing occurred shortly before eight o'clock when the lightly entrenched Canton soldiers opened fire on the gunboats. The sudden crackle of machine-gun fire, later followed by the heavy detonation of field guns, caused a sensation among the Macao Chinese and Portuguese residents and thousands of them rushed to the Bund to witness the battle. It so happened that the firing took place at a good distance from the shore and although the fishing boats anchored near the gunboats had an alarming time in lifting their anchors to avoid the firing line none of the Macao residents was hurt.

The gunboats were taken completely by surprise and it was some moments later before sufficient order was effected to reply to the fire. The gunboats retaliated with great accuracy and all their shells fell upon Lappa Island on which the soldiers took up their positions. Although the soldiers possessed the better arms and ammunition and they swept the decks of the gunboats with machine-gun fire the stiff resistance offered by these vessels made it impossible for them to approach the battle-ships. Chungshan, including the free-port Tang Chieh Wan, was occupied by the soldiers on the same day.

Because of the fighting in Chungshan near Macao the Hainan situation is once again electrified. The Commander-in-chief, General Chen Chi-tang, recently ordered the residence of Admiral Chen Cheh in Tungshan, Canton, to be raided. The authorities announce that the property of Admiral Chen Cheh will be confiscated to the Government because of the Admiral's leadership in inspiring the Hainan rebellion. No arrests were made during the raid because the important members of the Admiral's family had previously left for Hongkong.

Sun Fo's Peace Efforts

Unless the Nanking Government exercises strong efforts to bring about an amicable settlement between the army and navy a Canton military expedition to Hainan in the next few weeks is considered inevitable. Sun Fo, the former Minister of Railways, Nanking, who sent his peace envoy, Ma Chiu-chun, the former Canton Commissioner of Reconstruction, to the South to confer with General Chen Chi-tang and Hu Han-min in connection with the Hainan imbroglio has met with disappointment. It is said in official circles here that the military commanders displayed a stubborn attitude in the meetings with Mr. Ma who has since returned to Shanghai.

So far the Kwangsi Government leaders, including Generals Li Tsung-jen and Bai Tsung-hsi, who are members of the South-western Political Council, have preferred to maintain a waiting attitude and have declined to comment on the Hainan developments. They have acted equally suspicious in declining to return to Canton to participate in their work with the South-western China Political Council. Both Generals are visiting towns in the interior of Kwangsi, reviewing their troops. In an official statement General Bai denies that the military activities in Kwangsi are preparations for the resumption of military hostilities between Kwangtung and Kwangsi.

In connection with the uncertain situation in Kwangsi a report is current here to the effect that a certain political party in North China is assisting the Hainan commanders financially and this party together with the Kwangsi commanders and the Nineteenth Route Army leaders now ruling Fukien, which is the neighboring country to Kwangtung, are to join hands in the coming Canton-Hainan war. This allegation, if it is true, will certainly have a most far-reaching effect on the shaping of politics in the South as the combined forces of these parties will certainly be in a position to challenge the power of General Chen Chi-tang.

The officer commanding the Nineteenth Route Army divisions General Chiang Kwang-nai, who has returned to the South en route to Fukien where his divisions have been assigned as the new garrison, has even declined to visit Canton—which observers interpret to mean that he and some of the Canton commanders are not on the most harmonious of terms.

Attack on Japanese Officials

That the strong anti-Japanese feeling consequent on the recent events in Shanghai and Manchuria still persists in South China was amply demonstrated by the somewhat sensational firing on two Japanese consular officials in Hongkong last Friday, resulting in both of them, Messrs.K. Minamide, Japanese Consulate clerk and M. Hirata, chancellor at the Japanese Consulate, Hongkong, receiving bullet wounds. Mr. Minamide received serious bullet wound in the abdomen, while Mr. Hirata was wounded in the shoulder. The latter was operated on yesterday and both he and Mr. Minamide were said to be progressing well.

The attack on these Japanese officials, following immediately on a more dramatic incident at the Chinese shipping department of the Butterfield and Swire Shipping Office on Friday afternoon when a wealthy Chinese named Chan Lum-fook, the nephew to the late Woo Hay-tong (Chinese shipping magnate who at one time controlled the interest of almost eighty per cent of the steamers running between Hongkong, Canton and Macao, the three leading cities in the South—is said to have been worth $7,000,000) after a heated quarrel with his uncle shot and fatally wounded Woo Hay-tong and killed the latter's second son on the spot. The double-murder caused a profound consternation among the foreign and Chinese staffs of the B. and S. Office many of whom actually witnessed the firing of the shots by the assassin. There is no doubt that these murders were committed because of personal feeling between the assassin and his uncle, who has since succumbed to his wounds.

But the more important aspect of the case is the fact that the assassin after committing these crimes and knowing that his life was wrecked, calmly reloaded his revolver and went to the Japanese Consulate office with the intention of attacking the Japanese Consul. It so happened that the Consul was out for his tiffin and had not returned to the office, otherwise this series of murders perpetrated by the wealthy young Chinese might have led to much more grave consequences. Entering the Consul's Office the assassin opened fire and wounded a Japanese clerk and a chancellor. Subsequently he went into the Consul's Office and shot himself in the heart dying on the Consul's Chair.

Japanese Consul's Statement

In a subsequent press statement the Japanese Consul said that the assassin was unknown to all members of the Consulate and it seemed to be evident that he came with the express intention of murdering the Consul. He said that under the circumstances he did not think there was any question of a protest being made, although, of course, that was not a question for him to decide alone.

In a statement made to a representative of the *Sunday Herald* the Japanese Consul, Mr.Yoshida said that the assassin must have decided to give vent to that anti-Japanese feeling which seemed to exist in China to-day. The Consul could think of no other motive for the crime.

The Hongkong Police are holding a most exhaustive investigation, examining numerous witnesses to find out the cause of the crime.

Canton's Boycott Movement

Judging by the constant references to the Manchurian events in official speeches at the Government sessions in

Canton and the most recent reorganization of the different committees in the Kwangtung all-Chinese Anti-Japanese Association and the execution of a leading Committeeman for smuggling Japanese goods into Kwangtung it seems that the Cantonese are insisting on a continuation of the movement. Following the exeuction of the Committeeman of the Anti-Japanese Association other members who were suspected of participating in the smuggling have been subjected to a thorough and most searching investigation, leading to some resignations.

For the purpose of electing new officials and dispelling the undesirable elements the Anti-Japanese Association held a big meeting yesterday at their Canton Headquarters in which many important resolutions aiming for a continuation of the boycott movement were passed. The meeting, for instance, resolved to order the arrest of the close associates of Pang Cho-lieh, the executed commtteeman, and to impose supreme punishment on any members of the Association found assisting in the smuggling of Japanese goods. The meeting was participated in by representatives of practically all the more important labor unions here.

Canton, June 21, 1932.

Air Raids a Feature of Canton-Hainan War

The Review's special correspondent at Hongkong telegraphed June 27 that as a prelude to an outbreak of hostilities between Canton and Hainan Island,the Canton Government air planes made three separate and desperate attempts to destroy Admiral Chen Cheh's cruiser *Chungshan* and eight smaller insurrectious gunboats near Macao during the week end and June 26 morning and afternoon. Four air planes bombarded the cruser *Chungshan*, which retaliated with firing. One of the air planes, mistaking the British gunboat *Moorhen*, patrolling the Canton river, to be the *Chungshan*, dropped six bombs in close proximity to the *Moorhen*, but without striking the British vessel. Following their sensational escape and scathless from the aerial attacks, the *Chungshan* and eight of Chen Cheh's smaller gunboats arrived at Hongkong June 26 evening to take coal, prior to proceeding to Hainan. Admiral Chen Cheh's officers at Hainan sent five airplanes June 26 to bombard General Chen Chi-tang's infantry base at Tsuimun in Southern Kwantung. Simultaneously Canton airplanes attacked Chen Cheh's headquarters at the Hoihow fort dropping a few bombs which failed to cause serious destruction.

Dissatisfied with Sun Fo's outspoken statements denouncing internal warfare General Chen Chi-tang gave a cold reception to Sun Fo on the occasion of his visit to the south. Anti-Sun Fo posters are appearing on Canton streets.

It is reported that General Chen Chi-tang has ordered an offensive against Hainan, timing the attack from Kochow July 1. Eight bombing planes departed from Canton on e morning of June 28 bound for Kochow. Sun Fo is sely associating with Admiral Chen Cheh in planning esistance to General Chen Chi-tang's expedition. Sun Fo stated to be financing Hainan's defence.

Canton enforced martial law June 27 following receipt of news that Gen. Li Tsung-jen and five thousand Kwangsi soldiers had arrived at Samshui and intended to visit Canton enroute to northern Kwangtung to join the anti-bandit campaign. Gen. Li Tsung-jen's proposed visit caused the strongest suspicion, leading to heavy concentration of Chen Chi-tang's regiments along the Canton-Samshui Railway. Li Tsung-jen postponed his trip to Canton on hearing of Canton's suspicions. General Chen Chi-tang has summoned numerous regiments from the East River and has concentrated them in the Canton suburbs.

It is a pertinent comment in connection with the air raids carried out by both these Southern factions that both sides would have been much better advised to have brought their bombing planes to Shanghai and used them against the Japanese several months ago instead of as they are now doing, using them against each other.

Incidentally it may be recalled that Chang Wei-chang, head of the Canton air forces, recently stated, both at Nanking and Canton, that the airplanes would never be used for internal warfare.

The Nanking Government has instructed the military authorities at Canton to accord every possible protection to the life and property of foreign nationals in Kwangtung, who may be exposed to danger as a result of the present dissensions in the province.

Wei Pei Irrigation Commission Issues Report

The Wei Pei Irrigation Commission has issued its reports in Chinese and English in a printed brochure replete with photographs and tabulated statements. The general feature of this irrigation project is to build a low dam across the King River at a point upstream at the entrance of the old Kuang Hui Canal. The low dam diverts the river flow through a tunnel pierced through the left side hill which consists of limestone. The tunnel is provided with lifting gates and can be closed during the flood time. It flows into the old rock canal below the rocky nose Lao Lung Wong Miao. The old rock canal and also the earth canal will be enlarged and repaired in order to accommodate a discharge of 16 cu. meters per second. When the canal reaches the plain it will be then divided into two main canals. The North Canal runs northeastward through the City Sanyuan and then flows into the Tsing River. The South Main Canal runs eastward through the districts King Yang Kau Ling and thence flows into the Wei River. Numbers of laterals are branched off from each of these main canals to water the plain.

For the work of the upper part, which is undertaken by the China International Famine Relief Commission, O. J. Todd is appointed by the Commission as chief engineer, and Mr. Eliassen as engineer in charge. For the work of the lower part, the Shensi Government has appointed H. Li, Commissioner of the Construction Bureau as chief engineer and S. C. Sun as the assistant chief engineer. In order to carry on the work of the two parts harmoniously a Commission has been organized in which Peiling Li, Commissioner of Education, H. Li, (proxy S. C. Sun) and Mr. Todd (proxy Mr. Eliassen) are members. Fulin Li is the secretary of this committee.

Ministry of Auditing Wishes to Control Customs Payments

In order to unify financial control as well as facilitate supervision over the enforcement of the national budget, the Ministry of Auditing, in a communication to the Ministry of Finance, suggests that hereafter the Finance Ministry should issue orders of payment for all appropriations from the Customs and Salt revenues for the service of foreign loans and that such orders be first forwarded to the Auditing Ministry for examination before being issued to the Customs and Salt Administration Authorities. The communication points out that heretofore appropriations from the Customs and Salt revenues for the service of foreign loans have been made by the Inspector-General of Maritime Customs and the Salt Gabelle on their own authority. Since foreign loan commitments have been incorporated in the national budget, and inasmuch as the Auditing Ministry is charged with supervision over the enforcement of the budget, it is necessary that the Auditing Ministry should be given an oportunity of examining the orders of paymeent before the appropriations are made.

Shanghai Chamber Submits a Petition on Labor Problems

The Greater Shanghai Chamber of Commerce has submitted a petition to the Central Party authorities urging that effective steps be taken to minimize friction between capital and labor. The petition points out that at the present time when the nation is facing an unprecedented crisis, both capital and labor ought to cooperate. The Party and Government authorities, however, feel that they must guard against being carried away by eloquent ideals and ignoring the realities of the situation. Unless this is borne in mind, those having the means of investing in industrial enterprises may regard such investments as unduly risky. Although very restrained and guarded language is used in the petition, the Chamber evidently feels that the responsible authorities have not been altogether fair to Capital in the handling of recent labor disputes.

Shanghai University Receives Grants from Rockefeller Foundation

The University of Shanghai announces that the Rockefeller Foundation has awarded a grant to Dr. C. C. Chen, chairman of the science group, for a study of economic zoology in China, and to Dr. T. W. Zee, chairman of the chemistry department, for the study of the preparation and properties of metallic salts of nitriles. Dr. Tang Shih-yi, a prominent physician in Shanghai, has also made a generous donation to support the work of the chemistry department of the College.

If Satisfaction is important

Buy at Wing On's

GOODWILL contributes to business success. It can only be gained by dependable and satisfactory service. The fact we can hold fast the confidence of our many patrons speaks well as to the kind of service we have rendered and are continuing to render them. We count you as one of our supporters. Please remember, our enormous and most varied stocks will meet your every requirement.

WING ON COMPANY

Incorporated in Hongkong

NANKING ROAD

READ

SHANGHAI'S NEWEST WEEKLY JOURNAL

"THE CHINESE REPUBLIC"

Edward Bing-Shuey Lee, Editor

SPECIAL FEATURES

1. Review of World Events
2. Survey of the Week in China, Item by Item
3. Chinese Enterprises

OTHER FEATURES

1. Editorials
2. Special Articles, on Current Events, Reconstruction, Commerce and Industry, Foreign Affairs, Specialized Subjects of General Interest etc.
3. The Mis-Republic
4. Foreign Press Opinion
5. Chinese Press Opinion
6. Reconstruction
7. Statements of Chinese Leaders
8. Documentary Data

The aim of the CHINESE REPUBLIC is to acquaint the English-reading public with the progress of Young China in the fields of reconstruction, industrial development, commerce, science, education and foreign relations.

20 Cents per copy

$ 7.00 Mex. per year (domestic)
$16.00 Mex. per year (abroad)

Editorial and Business Offices
14 Kiukiang Road,
Shanghai.

Report on Flood Hygiene and Sanitation

Dr. J. Hong Liu, director of the Department of Hygiene and Sanitation of the National Flood Relief Commission, has issued a report covering the work of his department. It is recorded that after surveys had been made, the following field health units were successively organized and set in operation during the period August 28 through September.

1. Wuhan (Wuchang-Hankow-Hanyang) Field Health Unit.
2. North Kiangsu Field Health Unit (office at Taichow).
3. Kiukiang Field Health Unit.
4. Wuhu Field Health Unit.
5. Nanking Field Health Unit.
6. Shanghai Field Health Unit.

Assistance in the form of personnel, vaccines and medicines was given to existing hospitals in outlying districts.

During February and March 1932 the Field Health Units and Travelling Clinics were successively re-organized into seventeen travelling clinics in labor relief districts.

In order to meet the emergency requirements of health personnel when the flood was at its height, all available medical personnel of the National Health Administration and its appended organisations of hospitals and medical schools were mobilized.

The medical work consisted mostly of preventing and controlling epidemics. The incidence of gastro-intestinal diseases was very high in all the districts and accounted for the very high mortality among the refugees, particularly children. Dysentery, both amoebic and bacillary, being endemic in the Yangtse Valley, spread rapidly among the refugees, the number of patients from this alone reaching over 13,000.

Soon after the outbreak of cholera in Hankow, a temporary Quarantine Service was established both in Hankow and in Nanking for a period of two months. All vessels were inspected and a total of 12,460 and 19,492 preventive inoculations administered respectively by the Wuhan and Nanking Quarantine Services.

In order to improve the bad sanitary conditions in camps, the main stress was put on water, latrines and garbage collecting. At the beginning, a short training course for sixty police school students in Wuchang was given and these formed the first batch of sanitary inspectors. The camps were provided with properly constructed latrines, and fly-breeding was kept under control by the systematic application of disinfectants.

Donations and Cooperation from Various Organizations

The Department of Hygiene and Sanitation is deeply indebted to the Health Section of the League of Nations for requesting and obtaining the following donations and cooperation from various Governments:

1. The Danish States Serum Institute, 100,000 doses of anti-dysentery vaccine;
2. The State Institute of Hygiene of Poland, 40,000 doses of anti-dysentery vaccine;
3. Government of French Indo-China, 2,000 doses anti-plague serum, 150,000 doses of anti-dysentery serum;
4. Netherlands Government, 1 ton of quinine tablets;
5. Government of Netherlands East Indies, the services of a medical unit, 12 cases smallpox and anti-cholera-typhoid-dysentery vaccien;
6. The Spanish Government, services of one fumigation expert, together with two fumigation machines;
7. The Egyptian Government, a mobile bacteriological laboratory under a specialist and two technicians, and 600,000 doses of smallpox and anti-cholera vaccines;
8. Belgian Red Cross Society, 19 rolls of blankets and 1000 g. of Emetine Chlorhydrate;
9. The Italian Government, 5 boxes of camphor oil, aspirin, anti-pyrin and salol tablets, quinine dihydrochlorid and other medical supplies;
10. The Swiss Government, 12 kg. Yatern, 25,600 Allisatin tablets, 40 boxes condensed milk, 50 boxes ovomaltine.
11. £255 for buying local medical supplies.

The Department expressed its acknowledgement especially for the valuable assistance given by Dr. L. Rajchman, Medical Director of the League of Nations, and members of the Health Section, Drs. B. Borcic, M. Ciuca, and T. F. Huang, all of whom took an active part in the organization and operation of the field units.

The Department desires to also acknowledge the assistance given by the following:

1. The American Red Cross Society, which contributed G$100,000 towards flood relief work in Hupeh, G$20,000 of which were appropriated to the Department of Hygiene and Sanitation, and two tons of bleaching powder (the latter from the Manila chapter);
2. Dr. J. B. Grant of the Rockefeller Foundation, who assisted in the organization of the field units;
3. Overseas Chinese in the Netherlands East Indies—one ton of quinine;
4. All mission hospitals in the flooded areas;
5. Private firms such as the Colgate-Palmolive-Peet Co., the Cadbury Bros. Ltd., Bournville; Allen & Hanburys Co., Ltd., Schmidt & Co., International Dispensary, American Drug Company, Carlowitz & Co. in Shanghai, all of which made contributions in the form of soap, cocoa, milk, and medical supplies.

The work of the travelling clinics in labor relief districts was closed at the end of June. The severe epidemic of cholera which has already broken out in Shanghai, Nanking, Taichow, Anking, Wuhu, Hankow, Ichang has made it imperative, to carry on the anti-epidemic work throughout the summer if the efforts made by the National Flood Relief Commission during the past months are not to be wasted.

Danger of Floods in the Yangtsze Valley

Although there are no present prospects that the Yangtsze Valley will be flooded, as it was last year, the steady rise in the height of the water has been a matter of much apprehension. Low lying areas in the Wu-Han Area have been inundated as a result of torrential rains. The water-mark at the Customs at Hankow registered 38 feet 2 inches, June 27, with the water still rising.

More than 2,000 houses in Changsha have been flooded, caused by the incessant rain in the last several weeks. Reports from Hungchow, Hsiangtan, Yiyang, Yuangchiang and other places in Hunan also announce more or less serious inundation.

The flood in northern Hunan has extended to the southern part of the province. Despatches received at Changsha report that several districts in southern Hunan are inundated while motor-bus services on sections of two main highways have also to be suspended on account of inundation.

Fields extending hundreds of thousands of mow over Kiangsi are now inundated as a result of the overflow of the Kan and Fu Rivers. Crops just ripening have been swept away by the floods. Huge sections of dykes protecting the land from the River water have collapsed and it is feared that the situation will be further aggravated.

Building Yangtsze Dykes Is Immense Job

Despite the recent rise of the Yangtsze River a recent Nanking message states that fears of a recurrence of last year's flood catastrophe should be allayed by the news that rebuilding of the dykes along both banks of the River, especially along its most dangerous section, is nearing completion. Taking advantage of the large supply of refugee labor, the National Flood Relief Commission has been carrying out a gigantic program of labor-relief, concentrating on the construction and repair of dykes along the Yangtsze. A continuous embankment of an average height of over 20 feet, extending from Shasi, western Hupeh, to Yangchow, Kiangsu, is being built, which when completed will furnish ample protection for the Yangtsze Valley. The immensity of the undertaking may be gauged from the fact that as many as 600,000 laborers have been engaged in the task under 1,300 superintendents and over 200 engineers.

In the meantime, a complete readjustment of the conservancy program for the entire country is being considered by the Ministry of Interior. It is proposed to establish a National Conservancy Bureau with branches in north and south China, with special divisions for the Grand Canal, Huai River, Yangtsze River, and Yellow River. A memorandum containing details of the scheme has been submitted to the Executive Yuan for approval.

National Flood Relief Commission Winds Up Affairs

The plenary meeting of the National Flood Relief Commission was held at the Central Bank Building, Shanghai June 27, with T. V. Soong, Chairman of the Commission, in the chair. There were over fifty members of the Commission present.

The Chairman opened the meeting with a speech in which he briefly recounted the work of the Commission from its organization up to date, touching on the principal activities and calling attention to the preliminary report laid before the members.

The following are extracts from Mr. Soong's speech:—

"The financial aspect naturally was of prime interest, as the extent of our work is conditioned on our resources. There were people who based reliance mainly on a government bond issue of $80,000,000 to purchase wheat and other grains from Manchuria for relief. But those actually responsible for the flood relief held that the bond market could not easily absorb any such issue, and that grains from Manchuria would depend too much on fortuitous circumstances. It was decided instead to concentrate attention on the purchase of America's surplus wheat on long term credit, to raise money from private subscriptions, and to supplement the two by a surtax on Customs. Events have justified the correctness of this course of action in no uncertain manner. By the agreement of September 25, 1931, between the National Government and the Government of the United States, the Commission obtained 15,000,000 bushels of wheat and flour from America. The cost of this wheat and flour amounts to US$9,212,828.46, which at the present rate of exchange equals to about $43,000,000. Repayment of this purchase is based on a 5% surtax, effective from August 1, 1932, till the entire loan is paid for.

"Contributions from various sources have now reached the handsome sum of $7,387,400, which is very gratifying, bearing in mind large contributions for flood relief received by other charity organizations, the extent of the present world-wide economic depression, and the Japanese actions in Manchuria and Shanghai.

"Finally, owing to the foreseen weakness of the bond markets the $30,000,000 bond issue for flood relief was withdrawn from circulation, and in its place 10% Customs surtax was levied for the 8 months from December 1, 1931 to July 31, 1932. The yield of the surtax up to June 20 amounts to $12,131,555. The total resources at the disposal of the Commission, including the wheat and flour, amount in round figures to $65,000,000. This was forecast with remarkable accuracy at the first general meeting of the Commission last September when we estimated our budget at $70,000,000."

Brief speeches were also made by Sir John Hope Simpson, the Director-General of the Commission, Gen. Chu Ching-lan, Director of the Field Operations Department, Dr. J. H. Liu, Director of the Hygiene and Sanitation Department, T. C. Hsi, Chief of the Labor Relief Division, and J. E. Baker, Chief of the Commissary Division, on the activities under their respective charge.

The following resolution was then passed:

"1. That a recommendation be made to the National Flood Relief Commission that as from July 1, 1932, the operations of the Commission be wound up except in the cases of those departments in which work has been commenced but has not yet been completed.

"2. That in the case of unfinished work, as soon as that work is completed the department concerned be wound up.

"3. That the Chairman be empowered to appoint a small executive committee from among the members of the Commission's staff to supervise the liquidation of the affairs of the Commission."

National Government Asks Honan to Observe Anti-Opium Mandate

The National Opium-Suppression Commission recently passed resolutions in which the Honan Provincial Government is requested to conform to the latest Mandate of the National Government dealing with the suppression of opium. The attention of the Chekiang authorities is also called to the fact that opium poppy is being cultivated in Wenchow and Taichow and opium pills are being sold in Kinkwa, Chuchow, and Yenchow.

The New Dollar Brick

Fits into the frozen ice cube space of your electric refrigerator.

Just right for five or six servings.

at all Hazelwood dealers

$1.00

Coca-Cola

A Pure Drink
of
Natural Flavours

Watson's Mineral Water Co.
327 Kiangse Road Tel. 12726

CUSTOMS NOTIFICATION No. 1231.

With reference to Customs Notification No. 1212 of the 11th May, 1931, announcing the collection by this office of consolidated tax on wheat flour and other commodities as from the 16th May, 1931, the public is hereby notified that as from the 1st July, 1932, any wheat flour imported in bags and weighing less than 49 pounds per bag will be charged tax at the uniform rate of $0.10 per bag, while if the weight per bag exceeds 49 pounds, a *pro rata* tax will be charged on the total weight.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 24th June, 1932.

Farming Distress and Bandit-Suppression

BY PAUL K. WHANG (汪仲芳)

JAPAN is now faced with a very grave agrarian situation, which, if relief measures are not taken immediately, may give rise to serious outbreaks, and possibly nation-wide revolutions. News reports from Japan have it that Tokyo is at present being deluged with peasant delegations from all parts of Japan urging upon the authorities the necessity of immediate relief measures in the agrarian districts, and that one of the measures urged by the peasants is to grant them a three years' moratorium on their debts which are stated to aggregate about six thousand yen. A resolution concerning relief for Japanese farmers which was brought forward by the Seiyukai was passed unanimously by the Lower House on June 13, and Premier Viscount Saito told the House it was the intention of the government to put the suggested measure into effect as soon as possible. One of the Japanese newspapers has even been quoted as saying that the success or failure of the present Japanese government will depend not upon the liquidation of the Manchurian incident but upon the solution of the agrarian problem. The farmers' demand, if granted, will still further dislocate Japanese national finance, which is already in a critical state as a result of heavy military expenditures arising from the Manchurian and Shanghai invasions. In passing, it must be said that the present agrarian crisis is but one of the sequels of Japanese aggressive policy, and if the Japanese government, or rather the Japanese militarists, do not change their policy now, the Japanese laborers and other classes of people will be close on the heels of their brother-farmers to ask for relief.

In reading the news about the misfortune of the Japanese farming population, one can not help turning his eyes to the agrarian conditions of this country. With her industry in its infant stage, China is still an agricultural country, and about 80% of her population is still living on the farms. In the past few years, the frequent occurrence of natural and man-made calamities has hit the peasant farmers in the North and the Northwest especially hard, and as a result millions of them have been either faced with starvation, or turned into bandits. Since last summer, the farming distress has gradually become nation-wide. The disastrous flood of last year, which inundated parts of the sixteen provinces, has reduced the farmers in Hunan and Hupeh, the rice-producing centers in China into a destitute state, and the flood victims are now still fed with wheat imported from the United States. The Japanese invasion and occupation of Manchuria together with subsequent chaos and disorders have driven the farmers there from their wheat and soy-bean fields, and according to a report from Manchuria, it is said that 20,000,000 farmers are now living under "the bread line." My recent trip to Wusih has revealed to me that even the farmers in Central China are in a distressful state.

Harvest Last Year Very Poor

It is true that the floods of last year in Kiangsu and Chekiang were not as disastrous as those in Hunan and Hupeh, but all the rice fields in the lower regions along the Grand Canal were also inundated. Thus the harvest last year was very poor, and most of the tenant farmers could not pay the rentals to their landowners. The Sino-Japanese hostilities, which caused great havoc to the farmers in the war areas, also affected the farmers in Soochow, Wusih, Kiangyin, Ishing, and Changchow districts, because the military necessity impelled the defenders to dig up trenches and erect barricades on the rice fields in order to put up an everlasting resistance against the invaders. The war-like preparations drove away many farmers from their homes, thus leaving their productive farms uncultivated. The failure of the wheat crop, because of the continuous inclement weather this spring, has further increased the distress of our poor farmers. During the late spring and early summer, the peasant farmers in Kiangsu and Chekiang, besides rearing silkworms, also raise wheat so as to increase their income. Due to the continuous cool weather with abundant rainfall, the wheat plants became withered in the fields, and the poor farmers, in spite of their several months' hard labor, reaped nothing from the harvest. To cap all their misfortunes the cocoon crops, owing to the same fickleness of the weather, in the end turned out to be poorer than ever. Not only the market price for fresh cocoons was only one-third of that of the previous seasons, but no buyers could be found to buy their products. Thus they had to spend additional labor and money to dry their fresh cocoons by crude means and manufacture them into silk by means of antiquated instruments in the hope of storing their products for better prices.

Take Wusih for instance. The loss to the farmers because of the poor cocoon crops is estimated at ten million dollars. In the case of the wheat crop, its annual production in Wusih is around 2,344,755 piculs, and because of its failure, the farmers have suffered another loss of several million dollars. What is true of Wusih is also true of other districts. Therefore if we take Kiangsu and Chekiang into consideration as a whole, the losses to the farming population must amount to a startling figure. No wonder the poor farmers in Wusih after suffering repeated reversals have literally become desperate and resorted to rice-looting to support their living, and cases of rice-looting have now become so numerous that the authorities are at their wit's end to find means to cope with the situation.

The above brief account will give us some idea of the distressful situation now prevailing in those districts where the farmers are generally considered as the most prosperous, and therefore the hopeless and helpless condition of the farmers in the backward districts of such provinces as Kiangsi, Fukien, Hunan, and Hupeh can be easily imagined. The rice-looting which frequently occurred in Wusih and Kiangyin is but a mild form of disturbances arising from the present anomalous situation, and if immediate measures are not taken to mitigate the sufferings of the poverty-stricken farmers, disturbances of a violent nature are bound to come. As a matter of fact, Chinese farmers, as a whole, are most law-abiding and hard-working people. They lead a very frugal life, and content themselves with a very meagre subsistence. But when their means of subsistence are thwarted, it is only natural that they should be turned into desperadoes and commit violence.

T. V. Soong, the Minister of Finance, in his recent statement explaining his resignation, has raised these questions, "Shall the government embark on a course of fresh borrowing and repeat the tragedy of the past? Do we live by bread alone? Is it not possible to continue a process of rigid economy and seek reforms from within? Are banditry and Communism purely military phenomena, and could we hope for a quick success by an old-fashioned and costly military drive? Have not banditry and Communism thriven on political, military and economic maladjustments, and will they not respond better to a systematic if unspectacular combination of politico-military-economic treatment?" In other words, Minister Soong is of the belief that the present so-called Red-menace is but an outward manifestation of our political, military, and economic mal-adjustments, and therefore its suppression lies not in the military drive, but in the systematic readjustments. His frankness in disapproving of the government's plan to launch another costly campaign against communists at the time when Gen. Chiang Kai-shek is putting a finishing touch to his much-advertised anti-Red drive deserves commendation. It might be, recalled that this is the third time that Gen. Chiang has led his armies against the communists, but in spite of the heavy drain on the government coffers the bandit situation has actually become worse than ever. It is now reported that the Reds claim to have 150,000 troops and practically 100,000 rifles.

Military Drives Are Futile

The futility of suppressing the Red-banditry by "an old-fashioned and costly military drive" is too apparent to be ignored, and the time has arrived for using other methods to eradicate the causes which have stimulated the growth of Red-banditry. Of all the underlying causes, the economical re-adjustment is the most important one deserving our immediate attention. The reason why the Red-bandits have been constantly swelling in rank and file is because the farmers in the backward districts of Fukien, Kiangsi, Hunan, Anhwei, and Hupeh provinces after being deprived of their means of subsistence, have to join the Red gangs to make a living. The government can not remove the root of this evil, unless

it either assists the farmers to re-establish themselves on the farms, or supplies them with such constructive works as the construction of roads and the rebuilding of dykes and river embankments. Sometime ago, it was rumored that certain military leaders had estimated that sixty million dollars would be required of another anti-Red drive. We would suggest that the government raise about half that amount, but instead of using it to fight the Reds, use the money either for lending to the poor farmers, or for constructing roads and other needed improvements. As I have said before, the farmers in Kiangsu and Chekiang are all badly in need of relief and if immediate aid is not given to them, they will easily become the prey of communists, and the Red-banditry will possibly run all over the whole country. We should conscientiously consider the distressful conditions of our farmers, and realize that our agrarian problem is much more serious than that of Japan. But, sad to relate, our government, which has so far engaged its whole attention in mapping out another grandiose anti-Red campaign, has not turned its thought to the measures of relieving the distress of our farmers, which, to all intents and purposes, is one of the chief underlying causes of the present wide-spread Red-banditry.

Shanghai, June 27, 1932.

Amnesty Regulations Promulgated

The General Amnesty Regulations, were formally promulgated by a mandate of the National Government at Loyang June 24. According to the provisions of these Regulations, all persons convicted of crimes prior to March 5 of the current year (i. e. the date of the C.E.C. resolution), for which the heaviest statutory sentence is either imprisonment for a term of less than three years, detention, or fines only, shall be pardoned. A mitigation of one-third of the sentence will be granted for crimes for which the heaviest statutory sentence is imprisonment for a term of more than 7 years; and a mitigation of one-half of the sentence, for crimes for which the heaviest statutory sentence is imprisonment for a term of less than 7 years. Sentences of death and life imprisonment will all be commuted into the maximum term of imprisonment allowed by Law. The Regulations also enumerate a total of ten grave offences which will be excepted from the application of the amnesty. Among these are, Conspiracy with foreign enemies, murder attended with unnecessarily cruel acts, parricide, misappropriation of public funds, and murder or rape of the victim or victims in cases of kidnapping for ransom.

Revised Laws Promulgated by Mandates Issued at Loyang

By a mandate of the National Government issued at Loyang June 29, the following laws were promulgated:—

Revised Law governing the Organization of the Control Yuan;

Revised Impeachment Law;

Revised Law providing for the Safeguarding of Members of the Control Yuan.

Foreign Merchants to Be Taxed After July 1, Says Chinese Official

O. K. Yui, secretary of the Municipality of Greater Shanghai, according to the *Shanghai Times* has declared that the business tax to be applied as a major source of revenue beginning July 1, will apply to foreign merchants and business enterprises as well as Chinese. All shops having an investment of $500 or making taxable profits of more than $1,000 will be subject. The International Settlement and the French Concession are considered a part of the Municipality, classified as No. 1 Special Area and No. 2 Special Area respectively; consequently, he said, there was no clear reason why the rules should not apply to merchants in these places.

The Preparations for Self-Government

The members of the Committee for the Preparation of Self-Government were appointed by the Municipality of Greater Shanghai end of last week. They are Messrs. O. K. Yui, secretary of the Municipality of Greater Shanghai (Chairman), Kying-Yiu, of the Municipality of Greater Shanghai, Yang Siao-tang, Commissioner of the Land Office, Wu Sing-ah, Commissioner of the Social Bureau, Wong Tse-kying of the Public Safety Bureau, Sung Dong, Commissioner of the Finance Bureau and Hsu Bai-waung, Commissioner of Education.

"The Seaboard Route to the North"

Travel on The

Peping-Liaoning Line

Starting at Peping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs the Peping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chinchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

My Six Months in Tsinan

BY H. C.

TSINAN, capital of China's holy province where her two greatest learned philosophers were born, is known to the world probably more due to what we call the Tsinan Incident on May 3, 1928, than to anything else. It is situated on the Tsin-pu line and the terminus of the Kiao-tsi line.

Unlike the other cities, in Central and South China, Tsinan has been without such posters as "Down with Japanese Imperialism," "Boycott Japanese goods," etc., since the Japanese occupation of Mukden in the night of last September 18. This may be due to the fact that there are large numbers of Wooden Slippers resident in the city and such action, if not forbidden by the Authorities, might cause further complications in Sino-Japanese relations.

Except Manchuria, Shanghai and Tsingtao, perhaps no city in China has more Japanese residents than Tsinan. According to the statistics of the Tsinan Japanese Consul for March 1932, there were 941 Japanese males and 918 females in Tsinan in addition to 31 Korean males and 11 females. The majority of the Wooden Slippers residing in this city are connected with pawn shop, druggist or opium trades.

All the pawn shops here, except one nominally run by a Britisher and another one just inaugurated by the Provincial Authorities, are operated by Japanese ronins. Under the protection of extraterritority, they extort interest at the rate of more than 7% at the expiration of three months.

Paying a visit to this city, one will not fail to find a large number of Japanese drug stores here and there. Outwardly, very few, if any, Chinese patrons, especially the upper class, are seen inside, but they have made large profits as may be seen from the fact that the number of such establishments is ever increasing. Also under the protection of extraterritority, no searches can be made inside their premises by the Chinese police despite the fact that smugglers of such drugs as heroin, morphine, red pills, etc., are often caught emerging therefrom and thereafter executed by the Authorities.

Under the rule of General Han Fu-chu, opiumsmoking as well as gambling is prohibited in this city, but any one who is addicted to such vice can go to the Japanese opium dens without danger of being caught by the agents of the law. They suck the money of the Chinese poor classes by extorting a high interest, weakening their health by supplying them with such poisonous drugs as referred to above. I do not think there is any other race in the world that is more intentionally ill-willed, cruel, hard-hearted and inhuman than the Japanese.

Order and Peace

Notwithstanding that much is still desired to be accomplished in other lines of reconstruction, order and peace have been strictly maintained by General Han Fu-chu during the past two years. No cases of robbery or kidnapping or theft have ever been reported. The discipline of the 3rd Route Army is also excellent and it is very seldom, if ever that they create disturbances in the streets or in places of public amusements. This may prove that Chinese are not unable to maintain order and peace—as the Japanese have propagandized to the world.

Financial Conditions

At present, no other province than Shantung can balance its budget—owing to the rampage of communist-bandits, coupled with the Japanese aggression. The retrenchment policy of the Central Government has not been enforced by the Authorities of this province and all Government Officers and school teachers received full pay even during the war in and around Shanghsi.

Public Utilities

It is deeply to be regretted that with a population of 400,000 this city is without a system of modern waterworks, though many springs are alleged to exist. It is indeed medieval to see that mule-carts and wheel-barrows are still being used as a means of conveying water from the springs or wells to the consumers. In view of the difficulty of obtaining water, a general appearance of uncleanliness is apparent everywhere.

It is the opinion of the writer as a result of his extensive travel that the worst roads in the world are to be found in French Indo-China and China. The French people bleed their colonists white and remit home all the revenues collected without doing any good in return. The slackness, inactivity and passiveness of the Chinese have been largely responsible for the backwardness of China. Similar conditions may exist here without undergoing any appreciable changes in a score of years to come. Several roads in this city are good instances to confirm my point of view. To ride in a ricsha or a motor car is by no means comfortable in certain parts of Tsinan. Some roads are so defaced that immediate reconstruction is imperatively required.

No Scenic Attractions

The T'sienfu Shan and the Taming Lake are said to be the boasts of this city. In fact, they are nothing more than a common hill and a small lake without anything remarkable. On the T'sienfu Shan, there stands a temple called the T'sienfutse, meaning the One Thousand Buddhas Temple. While overlooking the city from the summit of this hill, one may come to the conclusion that Tsinan is a true representation of China of all ages with prehistorical muddy huts, medieval means of transportation, a handful of European styled-buildings and modern girls, and what not.

In the Taming Lake, there are a score or so of pleasure boats already worn out by age. In view of the shallowness of this lake due to the negligence of the Authorities concerned, not much boating can be enjoyed.

Weather Conditions

From September to June, the inhabitants of this city are practically in the midst of windstorms all the time. In Central and South China, the rainfall is so abundant that one has to carry along a water-proof coat while out, but such an article is not quite necessary here in Tsinan owing to its dry weather. However, the sand dust blown up during a windstorms is equally, if not more, annoying. During the wind storm, it seems as if one were living in a desert, capped with sand from the head to feet, not to say anything about the inside of buildings. The lowest temperature last winter was 8 Fahr. and the highest temperature last summer was in the neighborhood of 110 Fahr.

Judging by the health of the natives, I am, nevertheless, inclined to believe that such a sandy atmosphere is not so harmful to the body as the southerners suppose it to be. On the contrary, I should deem it conducive to health, otherwise the northerners would not be so sturdy and live to so great an age.

Qualities of the Shantungese

Although Shantung is China's holy province, the people, like other northerners, are not very nationalistic as may be seen from the fact that the markets have been replete with Japanese goods since the eventful night of last September 18. The Chinese people are particularly broad-minded in the treatment of their enemies. No matter how great a wrong is done to them by their enemies, they are still kind to them. It may be this unnecessary kindness which will enable the Wooden Slippers to annex China as the second Korea.

So far as my personal knowledge goes, the northerners are not so active as the southerners, though the former are more hard-working, obedient and persevering than the latter.

Sand Flies

Having spent a summer in the north, one will realize how poisonous is the bite of a sand-fly, which is peculiar in the north. It is so small that you cannot see it even after you have found many bites on your body. The bites cause unspeakable itching and in some cases swelling. However, certain persons are immune from such bites evidently owing to different physical construction.

Tsinan, June 20, 1932.

National Finance Conference to be Convened

It is learned that the Ministry of Finance contemplates the convocation in the immediate future of a national finance conference to discuss and decide upon measures for the improvement and reorganization of national finances. All provincial commissioners of finance will be instructed to attend the forthcoming conference. The National Government is understood to have instructed the Ministry of Finance to take immediate steps for the reorganization of the National Finance Commission in accordance with the revised regulations governing its organization recently adopted by the Legislative Yuan. It may be noted that, according to the revised regulations, the Commission will have the vital power of vetoing military appropriations other than those required for bandit-suppression and national defences. The exercise of this right is therefore expected to provide a strong safeguard against the recrudescence of civil strife.

Japan's Impending Recognition of Manchukuo

A *Reuter* message from Tokyo June 25 stated although Japan was not likely to recognize the new Manchurian state until the report of the Lytton Commission had been published, it is expected that one of Count Uchida's first acts after his installation as Foreign Minister, which will probably take place on July 5, will be to issue a statement clarifying the intentions of Japan in Manchuria.

The Foreign Office at Nanking on June 24 addressed identic notes to the signatory Powers of the Nine-Power Treaty including the United States, Great Britain, France, Italy, Belgium, The Netherlands, and Portugal, regarding Japan's reported intention to recognize Manchukuo. The communication declares that such action would constitute a flagrant violation of the treaty, which guarantees the territorial and administrative integrity of China. The notes urge the above governments to give the most serious attention to the plan of the Japanese government to accord official recognition to Manchukuo. They ask that such immediate steps be taken that will effectively cause the Japanese government not to accord recognition to "an unlawful organization born of Japanese military action, and thereby to hold the sanctity of the Nine-Power Treaty and to maintain peace in the Far East."

China's Appeal to the League

A telegram from Geneva, June 23 stated that the Chinese note to the League Secretariat contained the text of a telegram from Dr. Lo Wen-kan, Chinese Foreign Minister, making an urgent appeal to the League to obtain Japan's observance of the League resolutions of September and December, 1931, to refrain from further aggravating the situation, and to desist from recognition of the Manchukuo Government, "which is sure to render the work of the League Commission of Inquiry abortive and prepare the way for a grave conflict in the Far East."

Americans in Shanghai to Celebrate Fourth of July

American Independence Day will be observed as usual in Shanghai on Monday July 4, when the following program will be observed:

8. a.m.—Military Parade and Flag Hoisting at the Race Course through the courtesy and under the direction of Colonel Hooker, commanding the Fouth Regiment of the United States Marine Corps;

9. a.m.—Inspection visit of American school children to the U. S. S. *Rochester* through the courtesy and under the direction of Captain Calhoun, commander of the ship;

11.30 a m. to 12.30 p.m.—Consul-General's Reception at the American Consulate-General;

3.30 p.m.—Baseball Game for the Admiral's Cup betweeen a Navy and a Civilian team at the Recreation Grounds;

5.00 p.m.—Polo Match between the American Troop, S. V. C., Polo Team and the "Cow Boys," at the Polo Grounds on the Race Course.

The American Consul-General will be at home to all Chinese and foreign officials and to all American citizens and their friends from 11.30 a.m. to 12.30 p.m., at the American Consulate General, 248 Kiangse Road, entrance from Kiangse Road.

Captain Calhoun has extended a cordial invitation to all members of the American community to visit the *Rochester*, which will be open for inspection between the hours of 9 and 11 a.m. and 1 and 5 p.m., for which tenders will leave the Customs Jetty every hour on the hour or oftener if such accommodation is necessary.

Future of Kiangnan Arsenal Under Discussion

A demand that the Kiangnan Arsenal at Shanghai should resume operations at some other place, instead of being closed down altogether, was made by a delegation of workers from the Arsenal in a petition submitted to the Ministry of War June 24. Following the dismantling of the machinery of the Arsenal during the Japanese invasion of Shanghai, it was reported that the Central Authorities had considered closing down the works altogether and sending the equipment to other Arsenals. As such action, if taken, would throw the entire staff out of work, the workers requested that the machinery be transferred to another more suitable site and operations resumed and that the old workers be retained. It is understood that officials of the Ministry of War agreed to transmit the deputation's petition to the Military Affairs Commission for consideration.

WHAT GIVES SO MUCH FOR SO LITTLE AS YOUR

SHANGHAI TELEPHONE COMPANY

SOCONY
GUM FREE
SULPHUR FREE
GASOLINE

MAP SHOWING PROJECTS FOR REHABILITATING SHANGHAI WAR-TORN AREAS

The above map, prepared by the Bureau of Public Works of the Greater Shanghai Municipality, shows the projects for the reconstruction and revival of the war devastated areas during the recent Sino-Japanese War at Shanghai. According to the contemplated plans, it is proposed to construct nine trunk motor-road lines, build three branch railways (marked New Branch Railway A.B.C.) and one auxiliary line marked (D) and construct a new and modern wharf, to be known as the Jukong Wharf, near the New Civic Center. The plan also recommends the construction of a new Central Railway Station in the Civic Center and removal of the present North Station to Sung Park Road in Chapei, which is about three kilometers distant from the present site. The details of the new construction scheme for the revival of the three principal war areas—Chapei, Woosung and Kiangwan—were fully described in an article in *The Review* on June 18, entitled "Greater Shanghai Municipality Plans Rehabilitation of War-Torn Areas."

Inspection of Chinese Shipping Vessels Ordered

So as to ensure safety for the travelling public, rigid examination and inspection of China's shipping vessels is ordered by the Ministry of Communications in a circular order to all Navigation Bureaus. The order states that special attention should be paid to old and obsolete vessels, which, owing to their age and dilapidated condition, may be unseaworthy, thus constituting a constant danger to the lives of passengers and crew. Such boats should therefore be carefully inspected to determine whether they are fit to engage in traffic.

When "Coney Island" Comes to Shanghai

About two years ago two amusement promoters came to Shanghai from the United States and "sold" to local capitalists, prominent among them being an American investment firm, the idea of reproducing here a miniature "Coney Island." About that time the Shanghai Municipal Council had put its foot down on dog racing in the International Settlement, and as a result a large tract of land enclosed by a high fence, and containing a grand stand and other buildings, was lying idle in the Yangtszepoo district. So the idea of reproducing Coney Island on a modest scale was developed and the old dog racing track blossomed forth as Luna Park. Many of the features, including a merry-go round, shoot the shutes and similar expensive equipment were imported from the United States, and amidst the blare of myriads of electric lights and to the accompaniment of much advertising the Shanghai public was invited to spend its nights in a hot-dog and side-show atmosphere. Many thousands came, but not every night, and the adventure was far from a success; there was no return in sight for the several hundreds of thousands of taels which the local capitalists had invested. The promoters from the United States have in the meantime left these shores and this season a local man has been engaged to see whether he can do something to retrieve the lost fortunes of this ambitious scheme. The local man is a well-known restaurant proprietor and dance hall promoter. As a means of drawing a crowd to the Park he has decided to transfer his whole dance hall personnel during the Summer months to the location in Yangtszepoo and close up his old-established location until next Autumn. A large enclosure is being roped off to park motor cars. A movie show is to be added. There will be no "ocean breezes" as at the original Coney Island, but a machine will make imitation waves in the swimming pool. Many new features are to be added. One of the most comical is a trained pig—the door is to be opened by the spectator throwing a ball straight enough—which then slides down an inclined shute, squealing the while, as a bottle of milk is waiting there for it to be sucked from a nipple. Having imbibed, the pig returns to its pen, waiting for the next straight shot. There will be the usual hot dog stands, ice cream booths, photos while-you-wait establishments, jugglers, clowns, freaks, etc. Lotto (a near-gambling game) is also to be introduced. Particular efforts are being made to secure Chinese patronage for the venture.

Gen. Tsai Ting-kai Goes South to Enquire About Funds

General Tsai Ting-kai, Commander of the 19th Route Army, proceeded from Shanghai to Canton during the week, the announced object of his visit being to consult General Chen Chi-tang in regard to the Kwangtung Provincial Government's grant to the 19th Route Army, amounting to a considerable sum, which is stated to be over fourteen months in arrears. It was stated in this connection by the *Central News* agency that ever since April of last year, the usual grant to the 19th Route Army by Kwangtung has not been forthcoming, and all the expenses of the Army have since then been borne by the Treasury of the Central Government, which is finding it more and more difficult to meet the requirements of the Army since the outbreak of Sino-Japanese hostilities in Shanghai and the consequent sharp decrease in national revenue. General Tsai's secretaries had at first booked passage for him by the *Empress of Japan*, but at the last moment he is reported to have said he didn't like the name of the ship because it contained the name Japan, so he had the ticket cancelled and proceeded south by a Dollar boat several days later.

Anti-Japanese Boycott Movement Still Continues

The Japanese *Press Union* states that the commission to facilitate the disposition of seized Japanese goods, which was established in Shanghai some time ago with a view to facilitating the disposal of Japanese commodities seized during the height of the anti-Japanese boycott movement, recently issued a circular to various shops, ordering them to report to the committee the volume and the kind of Japanese commodities seized.

Upon learning that a large quantity of Japanese sugar now being imported from Japan is destined to Hankow, the local Chinese Chamber of Commerce sent a notice to the Hankow Chinese Chamber of Commerce, advising it not to deal in Japanese goods. At the same time, the local Chamber notified various sugar merchants in town to see to that no Japanese sugar shall be sold.

交通大學研究所

THE CHIAO-TUNG UNIVERSITY

RESEARCH INSTITUTE

With Branches at Tangshan and Peiping

I. Division of Industrial Research

(1) Bureau of Engineering Design
(2) Bureau of Material Testing
(3) Bureau of Machine Testing
(4) Bureau of Electrical Testing
(5) Bureau of Physical Testing
(6) Bureau of Chemical Testing

II. Division of Economic Research

(1) Bureau of Social Economy
(2) Bureau of Industrial Economy
(3) Bureau of Communications
(4) Bureau of Administration
(5) Bureau of Accounts
(6) Bureau of Statistics

All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

Less time wasted

—Customers Pleased!

There are two reasons why you ship via Seattle. The first is understood . . . SEATTLE IS THE NEAREST UNITED STATES PORT TO THE ORIENT.

THE SECOND . . . an equally important reason . . . is that Seattle has mammoth port facilities to assure you of splendid handling and quick train shipment from this port to points within the United States.

Your American customers will appreciate your shipping Via Seattle . . . for the good reason that their merchandise spends less time in transit.

SHIP VIA SEATTLE . . . Save or Profit . . . and please your American customers. For further information write Bell Street Terminal, Seattle, U. S. A.

5 TRANSCONTINENTAL RAILROADS—*to and from* SEATTLE

15 STEAMSHIP LINES—*to and from the* ORIENT

the Port of Seattle

Men and Events

Japanese telegrams from Canton report signs of revived anti-Japanese agitation coincident with the arrival in Hongkong of General Tsai Ting-kai.

The baseball team of Waseda University sailed from Tokyo June 23 for Hawaii, where they intend to play a series of matches with university teams.

Sun Fo, member of the Kuomintang Central Executive Committee, who had been resident in Shanghai for several months departed from here for Canton June 22.

The large Japanese department store, Shirokiya, has decided to close down its Osaka branch store as from August 1, next owing to the business depression.

Proctor Lee Howell, boatswain's mate, second class seaman from aboard U.S.S. *Chaumont*, fell overboard from the deck of a tender on Friday evening, June 24 and was drowned.

An exhibition and sale of the art collection of Cheng Shut-kai, retiring compradore of Butterfield & Swire, took place at his residence, 138 Pichon road, Shanghai, June 24, 25 and 26.

William Van Buskirk, deputy marshal of the U. S. Court for China, has retired from service. He departed for the United States June 27 and will make his home in Newark, New Jersey.

It is reported that eight locomotives of the "Pacific" type have been ordered by the Tientsin-Pukow Railway Administration from Andersen, Meyer and Company. Delivery is to be made in four months.

During a severe hailstorm at Mienchih, western Honan, recently, hailstones as big as a man's fist fell for two hours continuously, killing over 200 persons. Houses, crops, and trees were destroyed.

Shao Yuan-chung, Acting President of the Legislative Yuan, has tendered has resignation from his concurrent post as Chairman of the Examination and Selection Committee of the Examination Yuen.

Dr. George Sellett, U.S. District Attorney, and Max A. Polin of the China National Aviation Corporation, departed this week for Chungking, making the trip by a plane belonging to the Aviation Corporation.

General Sun Hsing-un, Commandant of the Chinhai Forts, Chekiang, having resigned, General Wang Hao-nan, Defence Commissioner for Ningpo, has been appointed concurrently Commandant of the Forts.

The anniversary of the death of Major Nakamura, whose murder on the Mongolian border eventually led to the Manchurian incident, was celebrated by a memorial service at the Yasukuni Shrine, Tokyo, June 27.

Mr. Tani, Chief of the Bureau of Asiatic Affairs of the Department for Foreign Affairs, left Haneda International Air-field, Tokyo, at 7 o'olock on the moring of June 24 by an ordinary passenger plane for Dairen.

A run on the Provincial Bank of Kwangtung in Canton took place June 23 as a result of the recent appropriation of about $1,200,000 by the provincial department of finance for military expenditures for May.

Pasture land extending over an area of 800 acres at Kuyung, south-east of Nanking, is to be used for the grazing and rearing of cavalry horses, under the auspices of the Military Affairs Department of the Ministry of War.

In compliance with representations of Dr. Trautmann, the German Minister to China, part of the American film "Hell's Angels" recently shown in China has been ordered to be removed by the National Film Censorship Committee.

Vice-Admiral Sakonji, Former Vice-Minister of the Japanese Navy, has been appointed Commander-in-Chief of the 3rd Squadron in succession to Vice-Admiral Nomura who will be appointed Member of the Supreme Military Council.

A profit for the year of Tls. 211,935 was revealed at the annual meeting of Lane, Crawford & Co., Ltd., British department store, held in Shanghai June 27. A bonus of six dollars per share was authorized. Tls. 186,953 were carried forward.

Lieutenant General Gaston K. Huang, Chief of Staff to the 19th Route Army, who participated in the Sino-Japanese negotiations for the cessation of hostilities in Shanghai, has gone to Amoy to direct the bandit suppression campaign in Fukien.

The engagement is announced of Miss Victoria Larsen, a graduate of the University of California, to Dr. Murdo Nicholson of Hongkong. Miss Larsen is now enroute to the Far-East. The wedding is announced to take place in Hongkong early this month.

The annual dinner of the American University Club will take place in the American Club at 8 p.m. on Friday, July 8, when Chen Kung-po, Minister of Industry, will be the guest of honor and speaker, and when the election of officers will be held.

The National Government has appointed Tseng Chung-ming, Political Vice-Minister of Railways, as concurrently Director-General of the projected Tatung-Tungkuan Railway, which is to extend from northern Shansi to the Shensi-Honan border.

The Ministry of War has issued an order against the indiscriminate sale of old military uniforms. Cases have recently been discovered of bandits and other undesirable elements donning old uniforms and posing as regular troops while engaged in subversive activities.

Russell Owen, of the *New York Times* who accompanied Rear-Admiral Richard Byrd to the Antarctic, arrived in Shanghai during the week from Manila. Mr. Owen during his stay in the Philippines accompanied Theodore Roosevelt, the Governor-General, on a tour of the Islands.

The students of Central University at Nanking staged a demonstration June 27 in front of the offices of the Executive Yuan and the Ministry of Education, demanding the dismissal of Chu Chia-hua, the Minister of Education. Wang Ching-wei has promised to consider the matter.

Quo Tai-chi, recently appointed Chinese Minister London, is due to depart from Shanghai July 4 via Canada and New York enroute to London, where he is expected to arrive on July 29. He will probably proceed to Geneva to attend the meeting of the Assembly of the League of Nations in September.

A squad of Japanese marines which had been stationed at Tung Wen College on the outskirts of Shanghai was withdrawn June 26. With reference to the Japanese withdrawal from the "D" area, namely, the Rokkosan Garden, the Japaness cemetery and eastward approaches thereto, no date has yet fixed.

Several sensational arrests were made in Alexandria and Constantinople June 23 in connection with the drug traffic in the Near East. Those arrested include three British business men who are well-known in Constantinople. It is alleged that these three men dispatched heroin to Alexandria from Constantinople.

An honorary degree of Doctor of Laws was bestowed June 23 by Bowdoin College, Brunswick, Maine, upon Stirling Fessenden, Secretary-General of the Shanghai Municipal Council. Charles Stewart Fessenden, a Shanghai missionary, received the honorary degree of Doctor of Divinity from the same institution.

Miss Viola Smith, American trade commissioner stationed in Shanghai, departed end of last week for the United States. Miss Smith will first go to Los Angeles, her old home, where relatives reside. After a short visit there she plans to go to Washington, D. C. According to present plans she will return to Shanghai next January.

The annual provincial budget for Hunan for the 21st fiscal year (July 1932 to June 1933) was passed by the Provincial Government Committee June 21. The total expenditure of the province during the next fiscal year is set at $15,270,654. A million-dollar provincial loan is to be floated to meet the expected deficit in income.

K. Murai, Japanese Consul General, who was one of the victims of the Hongkew Park bombing incident, gave a reception, attended by several hundred prominent residents, including Japanese and Chinese, European and American officials, at his home in Seymour road June 24. Mr. Murai has completely recovered from his injuries.

Dr. Li Chien-hsun, having resigned as President of the National Peiping Normal College, Dr. Li Cheng has been appointed his successor. The new president is a native of Hopei, was educated in America, receiving his Ph. D. degree from Columbia University. He is at present Director of the Social Education Department of the Ministry of Education.

During the financial year, beginning on July 1, all members of the American Legation in Peiping must take one month's holiday without pay. In addition, it is likely that their salaries may be reduced at least 10 per cent. All the Legation's contingent expenses are to be reduced at least 25 per cent. These measures are taken because of the world-wide trade depression.

A Nanking telegram states that in view of the importance of Party affairs in the Municipality of Greater Shanghai, three veteran Party members have been appointed as directors, namely, General Wu Te-cheng, Mayor of Shanghai, General Chang Chun, former Mayor of Shanghai, and Chen Kung-po, Minister of Industry. All three are members of the C. E. C.

An official bulletin issued by the Tientsin Bureau of Public Safety June 22 stated that over a thousand cases of cholera had occurred within a week, 200 of which had proved fatal.

Capt. Elbridge Colby of the U. S. 15th Infantry Regiment in Tientsin was in Shanghai this week on his way home to the United States where he will be stationed in future. He was accompanied by Mrs. Colby and their son.

Dr. Ethel Polk Peters, formerly engaged in missionary work in China is critically ill, according to letters received in Shanghai this week. Since leaving China Dr. Peters has been connected with Paine College, Augusta, Ga.

James Howe, correspondent for the *Associated Press* who formerly was stationed at Shanghai and who later went to Manchuria with the League Commission, has returned to Shanghai for a brief visit before returning to the United States. Mr. Howe will be stationed in Washington, D. C. in future.

The China General Edison Co., Shanghai, Osram G. m. b. H. Kommanditgesellschaft of Berlin, Germany, and N. V. Philips' Gloeilampenfabrieken of Eindhoven, Holland, have organized a joint sales agency to be known as the China Lamp Company with offices at 49 Peking road. The three companies manufacture respectively, the G. E. Edison, Osram and Philips lamps.

Foodstuffs destined for relief work will no longer be granted free transportation, according to an order of the Executive Yuan issued to Provincial and Municipal Governments. It is specified that, apart from the remaining consignments of American wheat which may be transported to their destinations free, all other foodstuffs must henceforth be subject to the usual regulations and tariffs.

Wang Ching-wei, President of the Executive Yuan, and Lo Wen-kan, Minister of Foreign Affairs, returned to Nanking from Peiping via Tsinan June 23. Interviewed by press representatives upon his arrival, President Wang declared that besides exchanging views with the League Commission of Inquiry, they had conferred with General Chang Hsueh-liang regarding the question of national defence. He was not however in a position to disclose the results of the various conferences.

George Street, representative in Japan of the Radio Corporation of America, is seriously ill at St. Luke's Hospital in Tokyo, having been stricken with infantile paralysis. His legs are completely paralyzed and the doctors state that his recovery will be slow. Mr. Street came to Shanghai from the United States in January, 1931, to relieve George F. Shecklen, China representative of the Radio Corporation of America, during the latter's absence on long leave. Upon Mr. Shecklen's return, Mr. Street returned permanently as R. C. A. manager in Japan.

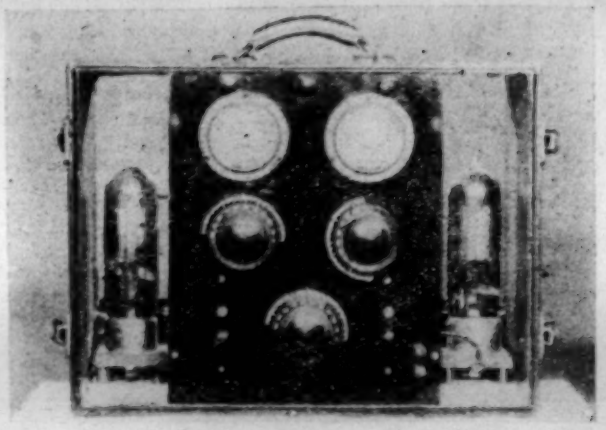
British Trade With China Boosted in Special Edition of London Newspaper

With a view to calling attention to British activities in China the London *Financial Times* on June 27 issued a 36-page supplement in which are reviewed the conditions and prospects of China and Hongkong. In one of the editorials, it is stated that the forces which must be relied upon to integrate China are psychologically akin to those lying behind her banking and industrial trade developments. It is suggested that the wisest course would be to minimise the inconvenience of these economic changes and influence their reactions by taking advantage of such opportunities as they offer by co-operation in local and general questions, such as, respectively, the administration of the International Settlement in Shanghai, and modifying extraterritoriality. The editorial observes that the Japanese withdrawal of her troops places the mediating Power in general, and Great Britain in particular, in a position to take the initiative. Concurrently, it increases the feasibility of the suggestion that the technical resources of the League should be enlisted for the service of China.

Dr. Alfred Sze's Plea

In an article on the subject of Sino-British co-operation Dr. Alfred Sze, Chinese Minster to Britain, says that China's greatest need from herself and from her friends is patience. He points out that life in China is not all chaos, and that it is unjust to admit that she has not greatly progressed in her efforts for modernisation. No matter what the irresponsible elements in China may be clamoring for, Dr. Sze continues, what China herself sincerely desires is the friendship of England, whose technical help in works of national reconstruction and whose capital in form, credit and machinery she most earnestly welcomes.

ALL WAVE
RADIO APPARATUS



建華電機公司

APPLY TO

CHIEN WHA ELECTRIC SUPPLY CO.,

393 AVENUE FOCH
SHANGHAI, CHINA.

TELEPHONE: 83324

In the United States Court for China

In re.	Domestic Corporation No. 152
Annual Statement of the Great Western Riding Academy	ANNUAL STATEMENT. Field at Shanghai, China this 9th day of June, 1932. JAMES M. HOWES Clerk.

ANNUAL STATEMENT OF THE GREAT WESTERN RIDING ACADEMY AS OF DECEMBER 31, 1931.

The corporation is organized and existing under an Act of Congress of March 2, 1908.

The officers of the Company on above date were:

W. R. Rice, *President*
C. D. Culbertson, *Vice-President*
N. F. Allman, *Secretary Treasurer*
V. Kniazeff, *Manager*

The actual cash value of its property is

Permanent buildings	M.$55,612.94
Ponies owned	5,333.12
Saddlery	700.00
Furniture and equipment	1,059.50

Its location is in the International Settlement, Shanghai, China.

The actual paid up capital is M.$40,000.00.

The number of shares of capital stock is 4000.

The debts and liabilities are M.$5,000.00 the same representing current accounts payable and are therefore unsecured.

No salaries are paid to officers except to the Manager in the sum of M.$3,600.00 per annum.

UNITED STATES OF AMERICA
EXTRATERRITORIAL JURISDICTION IN CHINA } SS
CONSULAR DISTRICT OF SHANGHAI.

The affiants, Don Burdick and N. F. Allman, being first duly sworn, depose and say: That they are the President and Secretary & Treasurer respectively of the Great Western Riding Academy; that as such they have signed the foregoing statement; that the facts states therein are true to the best of their knowledge, information and belief.

DON BURDICK,
President
N. F. ALLMAN,
Secretary and Treasurer.

Subscribed and sworn to before me this 9th day of June, 1932.
JAMES M. HOWES

Who's Who in China

Gen. Wang Chin-chiu, vice-Commander of the 87th Division of the 5th Army; born at Fong Hsien, Kiangsu, 1901; was graduated from the Hsuchow Middle School, 1923; attended the Whampoa Military College, graduating in 1924; following graduation, he became a squad commander} in the Training Corps and was successively promoted Company commander, battalion commander and regimental Commander, commanding the 1st and 9th regiments of 21st and 3rd Divisions of the Revolutionary Army consectively in 1928; appointed vice-commander of 4th brigade and concurrently commander of the 9th regiment of 87th Division, 1929; was promoted commander of the 5th brigade of the 87th Division 1930; transferred as commander of the 4th brigade of the same Divison, 1931; promoted vice-commander of the Division, Dec. 1931; participated in the volutionary campaigns in Kwangtung, Chekiang, Kiangsu and eight other provinces and fought thus far 58 battles; during the recent armed resistence against the Japanese at Shanghai, his bravery has won special recognition of his superiors and was responsible for many reverses suffered by the Japanese troops at Kiangwan and Wentsopang; he has been recommanded for promotion as Commander of 87th Division and may shortly be substantiated in the post.

Gen. Wang Chin-chiu

王敬久字又平

王敬久，字又平，江蘇省豐縣籍，現年三十歲，民十二年卒業徐州中學，旋投筆從戎，考入黃埔軍官學校，十三年學成畢業後，任教導第二團第二連排長，十四年五月升任連長，十月調任軍校入伍生部第一團三連少校連長，十五年九月調任二十一師六十三團第三營營長，十六年四月升本團中校團附，六月升任團長，十七年調任九軍第三師第一團團長，十七年七月一次縮編改任第二師五旅九團團長，十八年九月二次縮編改任本八十七師四旅副旅長，兼九團團長，十九年十一月升任該師第五旅旅長，二十年一月調任第四旅旅長，本年十二月調任該師副師長，曾參加粵浙蘇皖魯豫鄂湘直諸省各次激烈戰役有五十八次之多，此次奉令抗日作戰滬濱，勇敢尤逾曩昔，極爲長官所推許，聞將即實升授師長全權也。

Victor Frene to Deliver Lecture on Goethe in Chinese Language

Victor Frene, applying the psychological knowledge acquired at the Institut General Psychologique of Paris to the scientific study of China and the Chinese, has come to Shanghai and will start here later on two summer-courses, one for Chinese and one for foreigners. The subjects he proposes to deal with, will be, in the Chinese summer-course, "Creative reconstruction;" in the course for foreigners, "What every foreigner in China ought to know." Mr. Frene's first public appearance in Shanghai will take place in a series of three lectures to be given June 30, July 2 and July 5 in Chinese in the hall of the Association for International Cooperation, 393 Route Ferguson. Mr. Frene will talk on Goethe.

New Books of Interest in the Far East

Philosophical Medicine-Men

The Platonic Tradition in Anglo-Saxon Philosophy, by John H. Muirhead, professor emeritus of philosophy in the University of Birmingham, England; published by George Allen & Unwin, Ltd., London.

The sub-title of this volume is "studies in the history of idealism in England and America." Its thesis is that in contrast to the view that the characteristic type of English philosophy is the empiricism of Locke, the Platonic tradition was firmly established before Locke and has continued without a break to the present time. A part of the 446 pages is devoted to both the obscure and the eminent British philosophers who were afflicted with the Platonic tradition, and the remainder is devoted to the America thinkers of the same school, notably Charles Peirce and Josiah Royce.

Professor Muirhead's study presupposes a fair amount of philosophical knowledge on the part of his readers. Nowhere is much effort made to define terms or to give a coherent picture for a laymen of the currents and cross-currents of philsophical thought during the approximately 300 years covered by the volume. In discussing the influence of Kant, for example, the brilliant epistemology of the first part of *The Critique Of Pure Reason* is ignored and all emphasis is placed on the second part in which the Teutonic sage prostituted all his penetrating theories of reasoning to construct specious proofs of God and duty.

Likewise, Hegel's materialistic theory of history and his monumental system of logic—based on the dialectic concept that "in every moment of its being, everything is ceasing to be what it was and becoming what it is not yet"—are neglected for the less important idealistic aspects of his philosophy.

One cannot be too critical of Professor Muirhead, however, for his failure to define terms in idealism.. For idealism, being the opposite of realism, is inevitably vague. It deals in such poetic wares as Good, Ideal, Love, Unseen Reality, etc., which are doubtless very inspiring and beautiful if one has the wealth and leisure to dally with them, but in a stark, hard world the harsh and precisely definable facts of realism, and as cheerful agnosticism as possible when proven facts are lacking, appear much more valuable and satisfying, at least to this reviewer.

Professor Muirhead, therefore, probably comes as close to precise statements as possible when he says that "Platonism might indeed be called the intellectual side of Christianity." Later, he quotes from Plato that "it is altogether necessary that this world should be the Image of Something." Subsequently he cites that "British Idealism from the first has been in essence a philsophy of religion," adding that "at each stage in its development it has recognized, as the final test of its truth, its power of explaining without explaining away man's religious consciousness."

In another place Bradley is quoted approvingly as saying that "if a man is assured on the part of philosophy that his religious belief is false, he is warranted at least formally in replying that this is so much the worse for philosophy." And in still another place Royce is quoted to the effect that "it is unquestionable that the mystic and the idealist have much in common."

Here—that is, in the two foregoing paragraphs—is the gist of Professor Muirhead's book, and likewise a synthesis of idealism from Plato down to the present day. Professor Muirhead deals not only uncritically but sympathetically with such notions, but nevertheless his volume clearly exposes the pathetic limitations of the idealistic ilk. Phisosophy is subordinated to religon; thinking degenerates into mysticim; the world is not viewed as it is within the limitations of finite perceptions, but is glorified as the "Image of Something" with a dogmatic assertion that it is "necessary" for it to be the "Image of Something." Why it is necessary? Every realist throughout the ages has asked that question, and no idealist has ever been able to give any answer more profound than an expression of infantile wish-fulfillment.

Since idealism is but a pseudo-intellectual defense of religion—wherefore idealists may well be described as philosophical medicine-men,—the question arises as to why there is any justification whatsoever for either the rise or the continuation of the Platonic tradition. In reality, religion needs no intellectual prop for its essence is faith, not reason. Religion indubitably arose out of man's inabil-

ity to rationally explain the natural phenomena he observed; to attribute things and their workings to gods rather than be content with a simple "I don't know" was, and still is, satisfying to most people. Philosophy, on the other hand, seeks to explain the world on the basis of reason, not faith. Therefore when philsophy seeks to defend and uphold religion it ceases to be true philosophy. In brief "idealistic philosophy" is a contradiction with two inherent and inescapable antitheses. And an antithesis plus an antithesis can never form a synthesis.

But there are still many in the world who like their religion served with philosophical dressing. To them this reviewer heartily commends Professor Muirhead's tome as readable and agreeable. W.B.

Shanghai, June 27, 1932.

A Strong Criticism of the Kuomintang

A brochure of 136 pages was issued during the week in Shanghai entitled "Five Years of Kuomintang Reaction," being a reprint of material contained in the May edition of the *China Forum*. The tenor of the contents is a very strong criticism of the Kuomintang Party. One of the leading chapters is entitled "Koumintang White Terror." The *China Forum* has a strong pro-Communist flavor.

Academy of Political Science Studies World Crisis

A comprehensive study of the Crisis in World Finance and Trade appears in the current issue of the *Proceedings* of the Academy of Political Science (Columbia University, N. Y.). Prominent persons in all walks of life have contributed papers on the subject, including Bainbridge Colby, former secretary of state and Charles C. Isely, a citizen of Kansas, who describes himself as a "pig and wheat raiser."

Morphine Manufacturers Sentenced in French Concession

Seven Chinese who were charged with being concerned in the manufacture and possession of morphine at No. 122 Route Prosper Paris in the French Concession, were convicted at a sitting of the Second District Court June 25. Sentences were passed as follows: Two men sentenced to three years' imprisonment and $5,000 fine; one man to one year's imprisonment and a fine of $1,000; and the remaining four men to one year's imprisonment and fines of $2,500. Notice of appeal was given on behalf of the two men most heavily dealt with, the Magistrate fixing bail at $60,000 each.

Philippine Communists Hold Convention at Manila

The Philippine Communists held a three-day convention at Manila commencing June 26. They passed a resolution to the effect that they would do all in their power to protect Soviet Russia against "world-wide attacks by imperialists." The convention met under the auspices of the Kapisanan Ng Anak Pawis, which means "Society of the Sons of Sweat." Crisanto Evangelista and Jacinto Manahan, both of whom are under sentence for sedition pending appeal, were the leaders of the convention.

Prominent Industrialist Entertains Dr. David Yui

Dr. O. S. Lieu, prominent Shanghai industrialist, entertained Dr. David Yui, general secretary of the Y. M. C. A. of China, on his recent return from Manila. Two score prominent bankers, industrialists, businessmen, newspaper publishers and educators were present. Dr. Yui in a brief speech paid high tribute to the patriotism of the Chinese in the Philippine Islands. Dr. Yui also reported on the excellent work which the Y.M.C.A. is carrying on in China.

Oil Resources in Shensi to Be Explored

The Central Research Council at Nanking is stated to be drawing up, in conjunction with the Shensi Geological Society, plans for the exploration of the rich oil deposits in the province of Shensi recently discovered by the Society. It is estimated that these wells contain a supply large enough to meet the demand of the whole world for an indefinite period of years. Should the plans be successfully carried out, the investigators believe an annual output valued at $100 millions would be assured.

水藥臭林亞

"OLING"

Disinfecting Fluid

To protect yourselves against dangerous, invisible germs, to prevent the spread of infectious diseases, it is always necessary to spray

"OLING" DISINFECTING FLUID

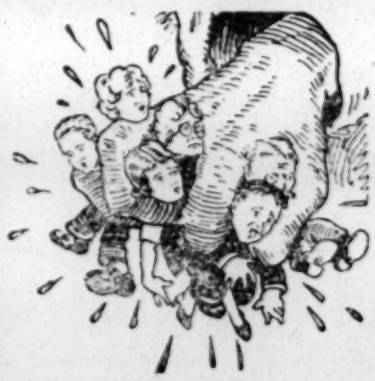
Obtainable at

All Dealers or from

INTERNATIONAL DISPENSARY

581 Foochow Road, Shanghai

五洲大藥房



Are You in the Grip of Constipation?

Do you suffer from that continuous out-of-sorts feeling, punctuated perhaps by severe bilious attacks, or periods of disordered liver and stomach upset? Then you need the help of Pinkettes, the splendid liver and aperient pills. Pinkettes are relied upon by thousands of people for keeping free from constipation and its ill-effects. Pinkettes are gentle yet thorough, non-griping, non-habit-forming. An occasional dose is all you need to keep your internal organs functioning perfectly.

LIVER & LAXATIVE PINKETTES PERFECTION

Cleanse the Food-ways, Banish Internal Congestion.

HONJO'S ULTIMATUM AND THE LEAGUE COMMISSION

(*Continued from page 160*)

somewhat. Owing to strong resentment, on the part of the public the Government had to discard its policy of "non-resistance." Then came a policy of "resistance on one hand and diplomacy on the other," as repeatedly announced by Mr. Wang Ching-wei, president of the Executive Yuan.

It is interesting to note what the Government has been doing since the conclusion of the Sino-Japanese warfare at Shanghai. Has China taken any steps to prepare herself for "prolonged resistance"? Has China begun to employ diplomacy to cope with the situation?

Shanghai Unprotected

The 19th Route Army, which put up such strong resistance against the Japanese invasion, is now being transferred to Fukien province for the suppression of bandits and reds. The arsenal in Shanghai which was the best in the country, and which had had sixty years of existence, and was only second to the Mukden Arsenal now occupied by the Japanese, and which could turn out 400,000 rounds of bullets and could manufacture small artillery, has now been closed down by order of the Ministry of War. The alleged reason is that Shanghai is too accessible to the foreign gunboats. Let us ask: So long as China does not possess any submarines or other necessary naval equipment, and the foreign gunboats can sail up and down any inner river of China, which port is safe from foreign gunboats? If the Shanghai arsenal should be closed why not also the Nanking Arsenal and the Hanyang (Hankow) Arsenal? It is indeed absurd that during these days when China should be making vigorous military preparations, that our most up-to-date arsenal is closed down, and it is really hard to understand what the Government is doing. If the Government is preparing for prolonged resistance, Shanghai, one of the most important places from the standpoint of military strategy, should be more adequately protected. But now all our best troops are being withdrawn from all places between Nanking and Shanghai and have been sent to the interior for bandit suppression purposes. Only a few days ago witnessed the departure of the 9th Division which was originally despatched to Shanghai for garrison purposes. Shanghai is now protected only by a few gendarmerie. Is China not fully aware of the fact that it only takes Japan three days to send troops to Shanghai but it takes several weeks for Chinese troops in Kiangsi, only next to Kiangsu, to come to Shanghai? Should the Japanese again adopt the same trick of cutting off Chinese reenforcements by placing gunboats at various places along the Yangtse River, as they did in the Sino-Japanese war at Shanghai, no Chinese troops from the North could ever cross the river.

Relations with Russia

What is meant by the employment of diplomacy to cope with the situation is probably the much discussed subject of restoring diplomatic relations with Russia. But up to the time when this article was written (June 24th), this subject was still at the stage of discussion and debate by the leaders of the government. It is also reported that our leaders are by no means unanimous in regard to the restoration of diplomatic relations with Russia.

But the restoring of diplomatic relations with Russia and the making of an alliance with Russia for mutual protection purposes are two different things. It is our opinion that China has taken this action too late to bear any fruit. While China is just beginning to talk of the restoration of diplomatic relations with Russia, the Islanders may take quicker action in reaching an understanding with Moscow. While China might attempt to ally herself with Russia for mutual protection purposes, the Islanders might approach Paris for the same kind of an alliance—which would be a direct challenge to the Sino-Russian Alliance. So while it is reported that Moscow has concentrated military forces on the border ready for any eventuality, it is also reported that the minister of foreign affairs of Manchukuo will personally open negotiations with the Russian authorities regarding the taking over of the Chinese shares in the Chinese Eastern Railway by the Manchukuo state. That China should adopt a policy of isolation in times of peace but try to ally herself with a stronger power for mutual protection purposes in time of crisis indicates a poor way of exercising diplomacy.

Assuming that a Russo-Japanese war—which is very unlikely due to the fact that the Soviets are very reluctant to be led into war with Japan because of a disruption of their five-years industrial plan—it would not be of any benefit to China. The war would be fought, as was the previous one, on Chinese teritory and the Chinese would be the worst sufferers. If the victory was on the side of Japan, it would mean entire elimination of Russia from Eastern Asia and the complete isolation of China. If the reverse was true, it would only mean Russia re-taking what they lost to Japan in 1905.

Aside from talking of restoration of diplomatic relations with Russia, which is probably what the authorities meant by the employment of diplomacy to cope with the situation, Nanking takes no other steps, such as (1) to request the United States of America to call a conference of signatories to the Nine-Power Treaty to discuss the situation; (2) to effect Anglo-American cooperation to take some common action to deal with the Japanese. Therefore, we can hardly understand what is meant by the employment of diplomacy in coping with the situation, and we doubt very much for its success.

Bandit Suppression First, Manchuria Next!

Mr. Wang Ching-wei, President of the Executive Yuan, on one occasion, declared that unless the "Red" menace is removed, the nation could not be able to offer effective resistance to foreign aggression.

No one will deny that the suppression of bandits and reds is not as urgent as opposing foreign aggression. But under the present circumstances, the suppression of bandits and reds could best be accomplished by extirpating the roots of the troubles rather than by using military force alone. That the bandits and reds are so rampant in the country to-day is due to the following causes:—

(1) Mal-administration by the provincial authorities who care nothing for the welfare of the people but only levy irregular and heavy taxes upon the already poverty-sticken people who cannot but turn to bandits and reds for relief. The mal-administration in Anhwei and Hunan provinces under Generals Chen Tso-yuan and Ho Chien, respectively, are only two of the most outstanding cases.

(2) Refusal of the government troops to fight when they meet the bandits and reds. Many cities have been occupied by the bandits or reds not because of their superior forces but solely due to the fact that the government troops fled before the bandits and reds reached the city. It was reported that a certain division of troop in Anhwei Province, fled before the bandits entered the city and freely presented their rifles and machine guns to the bandits. The occupation of Changchow in Fukien province which once menaced Amoy was entirely due to the fact that the troops under General Chang Ching refused to fight and fled before the bandits had reached the city. It is also reported that these troops know only how to plunder, loot and plant opium, but when they are ordered to fight against the bandits, they never take orders. When the 19th Route Army reached Amoy, the commander received more than 200 petitions a day from the people complaining of the bad treatments they had received at the hands of the troops under command of Generals Chang Ching and Chen Kuo-hwei.

(3) Bad economic condition throughout the country.

We fully realize the difficulties that are facing the Government today, having to suppress bandit and the red menace on one hand, and having to meet foreign aggression on the other. But it is wrong to think that "unless the red menace is removed, the nation would not be able to offer effective resistance to foreign aggression," or that the bandits and reds are so rampant in the country that it may take years to suppress them. Only a year ago, the Government launched a vigorous suppression campaign against the reds in Kiangsi provinces when some 200,000 men were sent to fight against the reds, under the personal direction of General Chiang Kai-shek. The famous 19th Route Army also took part in the campaign. But the red menace in Kiangsi is just as menacing as before. Therefore, we can only conclude that it is best to employ more political means to suppress them, so that the Government could deal with the bandits and the foreign aggression at the same time. It is gratifying to learn that General Chiang, now in Kuling directing the operation against the bandits and reds in Kiangsi, has announced that the Government will employ "70% of political means and only 30% of military means" to suppress the enemy.

Japanese Action Due in September

At a reception given by General Honjo, Japanese war-lord at Mukden, in honor of the members of the Lytton Commission, the Japanese general was quoted as declaring that "China is a disorganized country and its people are so hopelessly disorganized that the Japanese occupation of Manchuria is for the purpose of saving China from becoming communistic. *At the request* of the Chinese who, the general alleged, even promised to pay for the Japanese action the Japanese have decided to send 200,000 men into China proper through Shanhaikwan." Continuing the general said that should the decision of the League of Nations be not favorable to the Japanese action, Japan would be ready to quit the League and Japan is sure to "take action in September." Pointing to Dr. Koo, who was also present at the reception, the Japanese general said, "You are a learned man, and we all admire your ability and knowledge. If you would come over to our side, we would make you minister of foreign affairs." The Japanese general was also quoted to have said that the Japanese, when taking action in September, would occupy Hopei province and "would support Pu Yi in a restoration of the Manchu regime in Peiping for another three hundred years." Dr. Koo upon hearing these words from the Japanese war-lord was so depressed that he wept. The purpose of his visit to General Chiang Kai-shek at Kuling and General Chang Hsueh-liang at Peiping was solely to report to the Chinese commanders the Japanese intentions in September.

The above information came from private sources but has been more or less verified by subsequent reports. The *United Press*, in a report from Tokyo, stated that the Japanese government intended to send troops to China proper to root out Marshal Chang Hsueh-liang's forces. General Li Chi-sen of the National Government, in a speech, delivered at the memorial meeting in honor of the heroes in the Shanghai warfare, also mentioned that Japan had decided to send 250,000 men into North China. Count Uchida, now Minister of Foreign Affairs at Tokyo, also declared that whatever attitude might be taken by the League of Nations, the Japanese would "proceed with their policy."

"Direct Negotiation?"

After Dr. Koo made his reports to both General Chiang and General Chang, the tendency was toward a change of the former policy of "resistance on one hand and diplomacy on the other" to a policy of "direct negotiations" with the Japanese under certain conditions not "derogatory to Chinese sovereignty." But the Japanese discovering the change in Chinese policy, also changed their policy. The Japanese are now asking their puppet Manchukuo to sign a treaty consisting of "three-hundred articles" by which the puppet government will grant whatever concessions that Tokyo may demand, the Japanese intention being that, by the time when the Chinese are ready to open direct negotiations with the Japanese, the Japanese government, as a friendly gesture, would promise to return the North-eastern provinces to China and further agree to abolish the new state (Manchukuo), but on condition that the Chinese government would recognize the validity of the treaty made between the Japanese government and the Manchukuo state. On the side of China, superficially, vast lost territory would be "recovered" from the hands of the invaders, but in reality, all sovereign rights over that territory would be given up to Japan. The cunning Islanders might also accept the mediation of the League of Nations bu the condition of their acceptance would be the recognition by China of the validity of the treaty made between Japan and Manchukuo. On the part of the League, outwardly if would appear that the League had done its best to "mediate" the dispute, but in fact, China would lose all her sovereign rights in Manchuria through that mediation.

Would China undertake such direction negotiation, or accept such a mediation? Would such a method of recovering our lost territory constitute the so-called "definite steps" that allegedly were decided upon at the Lu-san Conference? Would such a method of abolishing the Manchukuo state constitute the so-called "mininum condition," upon which the Government would insist in any settlement of the Manchurian question?

Nanking, June 27, 1932.

EAT AT

Jimmy's

212 Szechuen Road

The only American Restaurant in Shanghai

TRY OUR WAFFLES

Branch at 105 Broadway
Open all Night

BACK ISSUE WANTED

The Review will pay 50 cents each (big money) for each of the following issue. Ten copies of the following number is desired.

March 5, 1932 Vol. 60 No. 1

Mail with statement to

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII,
Shanghai.

A.B.C. PRESS, SHANGHAI

Printing
in all its Branches

Your work should bear our imprint

Are Children an Asset or A Liability?

Do you obtain a greater happiness out of life through them or do you feel they are a source of worry and expense? If they are always well and happy no doubt the former will be the case, but if they are always ailing then their sufferings are yours also.

In countless homes in all parts of the world, parents thank Baby's Own Tablets for the health and happiness they bring to their little ones. This splendid health-regulator for babies and children up to six or seven has helped innumerable children who were constant victims to those childhood ailments which sap vitality and retard healthy growth. These pleasant-tasting tablets, which embody a qualified physician's prescription, should be every child's health-safeguard. Baby's Own Tablets are the ideal remedy for stomach troubles and constipation, for they act gently and soothingly and do not irritate the internal organs as is the case with so many crude laxatives. The tablets will also break up colds, allay feverishness and croup, check diarrhoea, expel worms, whilst during teething they are a boon to babies, easing pain immediately although they are guaranteed to contain no opiates or harmful drugs. All wise parents keep their children well with Baby's Own Tablets. Obtainable from chemists everywhere.

JAPAN'S HAND IN THE SEIZURE OF THE MANCHURIAN CUSTOMS ADMINISTRATION

(*Continued from page 159*)

ter is one between the Chinese Government and the Manchukuo authorities, Japan not being in any way responsible, the note goes on to point out that Dairen though temporarily leased to Japan remains Chinese territory in law; that the Dairen Customs office was established by virtue of the agreement of 1907 between the Inspector-General of the Chinese Maritime Customs, Sir Robert Hart, and Mr. Hayashi, Japanese Minister in China, and that the Inspector-General of the Chinese Customs, therefore, has the right to apply with respect to the Dairen office such regulations for Customs duties, depositing banks and remittances as are uniform with the practices prevailing elsewhere in China. The note continues:

"Now in utter disregard of treaty obligations, the Japanese Government has instigated the bogus Government of the three north-eastern provinces to interfere with the Customs offices in Antung and other places and to instruct the Japanese commissioner of the Dairen Customs office to stop remittances to the Inspector-General in an attempt to destroy the integrity of the Chinese Customs Administration and the security for China's foreign and domestic loans. Such acts are clearly in violation of the covenant of the League of Nations, the resolution of the League Council and Assembly the Nine-Power Treaty, as well as other relevant treaties and agreements, for which the Japanese Government must be held fully responsible.

The Chinese Government, while reserving the right to make suitable demands for reparation and indemnity for losses sustained by these Customs offices, hereby lodges its vigorous protest with the Japanese Government."

A Nanking telegram June 25 stated that a detailed report on the results of the Peiping conference in regard to the Manchurian situation, financial readjustment and the forcible seizure of Manchurian Customs revenues by the puppet Manchukuo authorities was made by President Wang Ching-wei at the regular meeting of the Executive Yuan held the previous day. With reference to the Manchurian situation, President Wang said that concrete measures for the restoration of China's sovereignty and territorial and administrative integrity in Manchuria had been decided upon. Regarding the forcible seizure by the puppet Manchukuo government of the Chinese Customs revenues in Manchuria, President Wang declared that besides lodging strong protests with the Japanese Government, the attention of the interested Powers would be called to this high-handed action on the part of the Japanese puppets, as such seizure will inevitably affect the service of foreign loans secured on the Maritime Customs.

Sharp Comments by "Manchester Guardian"

The *Manchester Guardian* in an editorial commented that as regards Japan's reply in denying all responsibility for the policy of Manchukuo "there is no Manchurian government apart from Japan." Perhaps the seizure of the Customs will serve to make even the British Government realize the true significance of the Japanese activities in Manchuria, the article continues. Japan's clear intention is to annex a province and the creation of an "independent" state is only an obvious trick to facilitate her purpose. Later the Open Door policy will be similarly repudiated. This action conflicting with Japan's international obligations, the paper states, will be fastened to the Manchuria government, which being new, starts from "scratch" in the matter of international obligations.

Chinese Bankers Protest Against Customs Seizure by Japan

The Shanghai Bankers' Association and the Native Bankers' Guild issued a protest June 22 against the contemplated seizure by the Japanese in Manchuria of the Northeastern customs. The telegram was addressed to the Executive Yuan and the Ministries of Finance and Foreign Affairs and read as follows:

"We read with great concern in the newspapers the statement made by Minister T. V. Soong of the contemplated forceful seizure of the Manchurian customs. The Japanese Government has long been plotting to interfere with the customs, in our Northeastern provinces. It is with great dismay that we learn that it will use the Manchurian puppet state to carry out its vicious scheme. The annual customs revenue in Manchuria amounts to nearly $40,000,000 which forms an important factor in the security of both the domestic and foreign loans. It is inconceivable how terrible the evil effect will be if this portion of the national revenue is disturbed, as it will sap the very life blood of our national finance which, for the present, depends almost entirely upon the customs revenue. We cannot view with equanimity this flagrant violation of the international treaties guaranteeing the administrative integrity of China. In the interest of the integrity of the Customs Service and the security of the Government loans, we urge you to lodge a strong protest against this action. We shall do our utmost to back up the Government."

Japanese Admit that Shanghai Round-Table Conference Has Poor Prospects

The Nanking correspondent of the *Osaka Mainichi* telegraphed on June 16 that the present indications are that early convocation of the Round-Table Conference in Shanghai is hopeless. Britain, America, France and Italy are not particularly keen about the conference, for one thing, while China herself has no intention of calling the parley. The National Government absolutely opposes any kind of political agreement, including the Shanghai Free City Plan, as part of the settlement of the recent incident. As a compromise alternative, however, the National Government agrees (so the Japanese correspondent states) to the convocation of the Conference on the condition that only economic problems, such as the commercial rehabilitation of Shanghai, and reparations, shall be considered.

China Signs Radio Agreement with Marconi Company

An agreement was signed at Nanking last week between the Ministry of Communciations of the National Government and Marconi's Wireless Telegraph Company, Ltd., of London, England, under which the Marconi Company is to supply the Ministry with extensive and highly specialized beam radio station equipment for the purpose of efficient handling of international short wave radio-telegraphic traffic and also for short wave radio-telephony service. The equipment includes two Marconi beam transmitting and receiving stations which will be directed westward Great Britain, and eastward toward America respectively. Units will also be incorporated permitting the tranmission and reception of radio-telegraph and radio-telephone messages between China and various other countries.

Magistrate to Be Tried for Ordering Opium Cultivation

Chi Wen-chu, district magistrate of Chaohsien, in central Anhwei, has been indicted on charges of enforcing compulsory cultivation of the opium poppy. A Loyang message states that Chi will be tried in accordance with the ordinary criminal procedure instead of by impeachment proceedings.

Opium Suppression in Shansi

That opium-suppression in Shansi province has been vigorously carried out is indicated in a report of the Shansi Opium-Suppression Committee, covering the six months from November 1931 to April 1932. In the above-mentioned period, 398 cases concerning the manufacture, sale or transportation of the drug and 1,945 cases of opium-smoking were discovered.

Reconstruction Work Proceeds in Kansu Province

Despite present difficulties, a sum of $300,000 has been specially appropriated by the Kansu Provincial Government for reconstruction work. $100,000 will be allotted to road construction, $70,000 to conservancy work, $40,000 to agriculture and forestry, $60,000 to industrial and $30,000 to mining development.

According to Shao Li-tzu, Chairman of the Kansu Provincial Government, the Provincial Treasury is facing an appalling situation as the total revenue of the province is barely sufficient for military expenses alone. Educational appropriations are more than twenty months in arrears while all revenues for this year have been pledged.

General Ma Still on the Job in Manchuria

Events in Manchuria still drag along in pretty much the some fashion as they have for several months past. The Japanese, end of last week, spread another of their stories about the death of General Ma Chan-san. He was supposed to have been killed in a Japanese air-bombing raid at a point east of Hailun. According to the Japanese tale, General Ma was trying to escape, disguised as a coolie. Subsequent events however gave the lie to the Japanese assertion and proved that the intrepid hero of Nonni River fame was still very much alive and on June 25 sent a radio message to Nanking that, owing to the difficulty of "suppressing" the Heilungkiang forces due to the mountainous regions, Japanese troops in Heilungkiang had been increased by 10,000 cavalry units which are now active along the Tsitsihar-Keshan, Railway.

In the meantime according to a telegram from Tokyo, Lieut. General Araki, the War Minister, announced at a meeting of the High Military Couhcil that the military work of bandit suppression in Manchuria would come to a conclusion by the end of July. It was not made clear whether this was meant to imply that the bandits would actually be rounded up by that time or whether the Japanese had come to the conclusion that they would abandon it as a bad job.

Among the difficulties that the Japanese are having is that every now and then some Chinese General who is working under them deserts to the anti-Manchukuo side. For this reason the Japanese are keeping a very strict watch on the Chinese generals, the latest of whom to come under their suspicion being General Yu Chih-sa. The Japanese recently searched his house at Mukden and have transferred his men to other localities.

According to information received from Japanese sources June 28 an anti-Manchukuo army commanded by General Ping Chuan-hai, which is estimated to total 5,000 strong, defeated the garrison of Manchukuo troops holding the entire city of Yushu, east of Taoliacho. A detachment of the Japanese Fanabashi Brigade was thereupon sent by rail to Yushu, to aid the Manchukuo troops.

According to further Japanese reports, a steamer carrying a number of Chinese volunteers are on their way to Vladivostok. These volunteers wish to join the forces in north Manchuria which are fighting the Japanese troops. At Vladivostok these volunteers plan to take passage by river steamer on the Amur river so that they may land in Heilungkiang, where they will join the anti-Manchukuo forces.

In Case Japanese Attack Peiping, Chinese Will Resist

With reference to rumors which have been current recently to the effect that the Japanese military contemplate the invasion of Peiping and Tientsin, a spokesman of the Government at Nanking declared June 26 that should the rumors turn out to be well-founded, the Government defence forces will be ordered to put up armed resistance. The spokesman also pointed out that recognition by Japan of the puppet Manchukuo would constitute a flagrant violation of the League Covenant and the Nine-Power Treaty and that the attention of the League and the signatories of the Nine-Power Treaty has already been called to the recent resolution of the Japanese Imperial Diet calling for the immediate recognition of the puppet state.

Indications Are Japanese Will Shortly Occupy Manchuli

Recent telegrams from Harbin indicated that the Japanese intend shortly to occupy Manchuli, on the Siberian border. The Japanese already control the southern section of the C. E. R. and most of the western line; the eastern line is not operating. All exits from Harbin for Russians or others by rail are thus in the control of the Japanese.

Japanese Tighten Censorship in Manchuria

According to a report from *The Review's* correspondent in Changchun, the Japanese have increased their censorship of mail throughout Manchuria and are especially watchful of mail received and dispatched by all officials of the Manchukuo government, all of whom from Pu-Yi down apparently are under suspicion of disloyalty to the Japanese. The appointment of Mr. Fujiwara as Director-General of Posts has been followed by the transfer to Manchuria of some thirty Japanese postal experts from Tokyo, the Japanese plan being to take over the Chinese Government Postal Administration throughout Manchuria on July 1, following which date only Japanese or Manchukuo stamps may be used in Manchuria.

Chiang Kai-shek at Hankow to Lead Anti-Communist Campaign

General Chiang Kai-shek arrived at Hankow June 28 on board a Chinese gunboat from Kiukiang and will personally direct the military operations against Communists and bandits in various parts of China.

Speaking at the weekly memorial service at Central Party Headquarters at Nanking June 28 President Wang Ching-wei dwelt upon the imperative necessity of carrying the bandit-suppression to a successful conclusion. Being citizens of China, he pointed out, the Communist-bandits ought to have called a halt to their depredatory activities during such an acute national crisis. Instead of rallying to the support of the Government in resisting the foreign aggressions, they have done everything possible to harass the Government and thereby thwart its efforts towards a solution of the present crisis. In fact, they have concentrated their efforts upon the overthrow of the Kuomintang and the Chinese Republic.

In the meantime daily reports of Communist and bandit outrages come in with almost monotonous regularity, a typical incident being the removal of a rail on the Peiping-Hankow Railway by "Red" bandits June 25. These bandits were fleeing to Kwangshui, northern Hupeh, and Liulin, southern Honan, both on the Peiping-Hankow Railway. The main outlaw unit making for southern Honan has clashed with the 15th Route Army under General Ma Hung-kuei at Lichiachai. According to a despatch from General Wan Yao-huang, Commander of the 13th Division, the outlaws are now heading westwards. Armored cars have been detailed to protect the workers.

It is reported that military expenses will be increased from $12,000,000 to $15,000,000 per month to meet the urgent needs of the various Government forces in connection with the anti-Communist and anti-bandit operations.

Alleged Mal-treatment of Russian Prisoner in Frenchtown Chinese Prison

The Shanghai Russian community is highly exercised over allegations that one of their countrymen by the name of George Gladkih, a proof-reader on the Russian newspaper the *Shanghai Vremia*, who had been incarcerated in the prison in the French Concession because of his part in a minor brawl several weeks ago, had been brutally maltreated, and as a matter of fact has disappeared entirely. The prisons in the French Concession, in which Russians (as they are without extraterritorial rights) are also incarcerated, are under control of the police of the Greater Municipality of Shanghai. Relatives and friends of the missing proof-reader have engaged Paul Premet, a member of the French bar, to make an investigation concerning the case. Gladkih, together with three fellow countrymen, were sentenced on June 17 by the Chinese Second District Court on Route Stanislaus Chevalier. The other three in the meantime having finished their sentences reported that Gladkih had been refused water, had been brutally knocked about and bruised, his body covered with gaping wounds, his agonizing screams reverberating through the prison. This happened during the early days of their imprisonment. Since then all efforts to locate Gladkih have been unavailing. The French Consul General, the French police and various leaders of the local Russian community, are making an intensive investigation of the case, which has features somewhnt resembling those connected with the disappearance of the young Britisher Thorburn about a year ago.

Further Fighting on the Tibetan Border

Further fighting occurred between the combined Szechuan-Sikong forces and the Tibetan troops and between the Kokonor (Chinghai) units and the Tibetans, last week. Pa-an (Patang), in central Sikong, was the scene of severe fighting between the Szechuan-Sikong units and the Tibetans for two days. The Government troops defeated the invaders who sustained about 100 casualties. General Liu Wen-hui, Chairman of the Szechuen Provincial Government and concurrently Defence Commissioner for the Szechuen-Sikong border, has reorganized the Szechuen-Sikong forces into five columns. He has also established contact with the newly organized 9th Division (Kokonor) for a joint drive on the Tibetan invaders. According to a Sining message, the situation is growing critical in the Yushu area, southwestern Kokonor. General Ma Pu-fang, Commander of the newly organized 9th Division, advanced his units to Yushu on June 18 and a bitter engagement ensued at Papakukusaichiao (bridge) in the vicinity of Yushu.

Thirty-First Regiment Departs for Manila

The Thirty-First U. S. Regiment, which has been stationed here since February 5, was scheduled to depart from Shanghai bound for its home base at Manila, July 1. The discipline displayed by its members was of the highest, and there will be nothing but regret on the part of the Shanghai community because of their departure, but with the return of normal conditions here there was no further reason for the U. S. Government to keep them here. The 31st has had an interesting history, and is unique that it is the only U. S. regiment that has never seen service on the mainland of the United States. Its service has always been in the Philippine Islands with the exception of the expedition to Siberia in 1919-20 and this present service in Shanghai. Their appearance here was the first occasion on which American troops have landed on foreign soil without the authorization of Congress.

Japanese Soldiers Murder German Priest on Korean Border

The *North China Daily News*, Shanghai June 29 printed an account of the death of Father Rapp, a German priest, near Lungchintsun, near the Korean-Manchurian border early in June, which shows that instead of his being murdered by bandits as previously reported he was brutally done to death by Japanese soldiers. The "offense" which Father Rapp committed, it seems, was to hand down his card to a Japanese sentry while seated on horseback. He was led away by the Japanese soldiers and his dead body horribly mutilated by wounds of a kind which soldiers would make was found later lying in a pool by his fellow priests.

Nanking Orders Chinese Banks to Be Reorganized

The Ministry of Finance has issued an order that all Chinese banking institutions must be promptly reorganized in accordance with the Company Law. The order points out that according to a previous ruling of the Ministry, the organization of banks, like other forms of corporate bodies, must conform strictly to the provisions of the Chinese Company Law. Although the said Company Law has long come into force, none except a few of the leading banks, such as the Central Bank of China and the Bank of Communications, has been reorganized in accordance with the Law.

American Rayon Industry Hit by Cheap Raw Silk

All the leading American rayon producers closed down their plants for the month of June in order to bring about a reduction in the ever-increasing stocks. Great inroads have been made on rayon consumption by low-priced raw silk. Sales of rayon in the United States and the world generally have shown a steady decline since the middle of April and dumping of yarn, even by some of the larger companies, at reduced prices, has become a gradually more frequent occurrence. American rayon producers recently submitted a brief to the Senate asking for a 75 cent per pound import tax on raw silk in order to protect their industry.

Chingwei Canal in Shensi Province Formally Opened

Formal opening of the Chingwei Canal, in Shensi province, marking the successful conclusion of an ambitious irrigation project, took place June 21 at Chang-chiashan, north of Sian, where the canal begins its course. The canal is a development and extension of the ancient irrigation system built at various periods during the Ching, Sung, and Ming Dynasties. So far over $1,000,000 have been expended on the project which is not yet completed. It is estimated that another year will see the construction of all the branch canals, involving a further outlay of about $200,000.

League Commissioners Make Trip to Japan Through Manchuria

The five members of the Lytton Commission, accompanied by some of the secretarial staff and several experts, left Peiping at 5 o'clock on the evening of June 28 by special train for Shanhaikuan en route to Japan via Mukden. No Chinese accompanied the party.

New Political Party in Japan---Deflections from Minseito

Recent telegrams from Tokyo reported that many M. P.'s in the Minseito Party have seceded in order to join Mr. Adachi's new political party. So far, 25 M.P.'s from the Minseito have definitely decided to join Mr. Adachi's new party, while the continued secret movement on the part of Mr. Adachi and his followers is gradually encroaching upon rural political districts.

The new party, as one of its many ideals, is trying to include prominent members of the military circle; also scholars and leading businessmen.

American-Japan Society Entertains Ambassador Grew

Joseph Clark Grew, the newly appointed American Ambassador to Tokyo, together with Mrs. Crew and their daughter, was entertained at a banquet given at the Peers' Club, Tokyo, June 21, under the auspices of the American-Japanese Society. Approximately 200 prominent persons were present, including Viscount Saito, Premier and concurrent Foreign Minister, Mr. Yoshizawa, ex-Minister of Foreign Affairs, Prince Tokugawa, President of the House of Peers, Admiral Takarabe, Viscount Ishii, former Ambassador to Washington, and members of the American Embassy in Tokyo.

Retrenchment Program to Be Continued

It is announced from Nanking that the drastic retrenchment program formulated by the Special Emergency Committee of the Central Political Council—which has been enforced during the six months from January to June, and which is due to terminate by June 30—will be continued for another six months.

This program, calling for the reduction of all appropriations for Party, Government, and military expenditures by 50 percent of the normal figures, was instituted last January in order to cope with the grave financial crisis facing the National Government.

Shanghai-Tientsin Air Service to Begin Operation This Month

The Shanghai-Tientsin airmail and passenger service, preparations for the operation of which have been going on during the past two months by the China National Aviation Corporation, will be formally inaugurated this month. Landing fields will be located at Haichow, Tsingtao, and Tientsin. Passenger fares will be as follows: Shanghai to Haichow $80; to Tsingtao $120; and to Tientsin $220. The entire route, slightly less than 700 miles, will be negotiated in about seven hours.

Memorial Service Held at Nanking

A memorial service was held on the Public Recreation Ground at Nanking June 22 in memory of the officers and soldiers who were killed during the Sino-Japanese hostilities at Shanghai. Shih Ying, Mayor of Nanking, presided, on behalf of the Central Party Headquarters. In his address he dwelt on the grave situation now facing China as a result of Japanese aggression and urged that every citizen, imbued with the same spirit which sent those heroes to their noble end, should exert his utmost to recover the occupied territories in Manchuria.

Amherst Rock as a Danger to Navigation on China Coast

According to a communication appearing in the current issue of the *British Chamber of Commerce Journal*, Amherst Rock, situated off the China Coast near the mouth of the Yangtsze, has been struck by 11 ships during the past 29 years, five of which were total wrecks. Four of the accidents occurred during fogs, one through assisting a vessel already aground, one as the result of faulty navigation, one during typhoon weather, and four as the result of causes unknown.

Chinese Take Census in Chapei

According to the census taken by the Chinese authorities following the transfer of Chapei, the number of Japanese families residing east of the Shanghai-Woosung Railway line is 767, the majority of whom are merchants living along North Szechuan Road. The number of families of other foreign nationality in this part of Chapei is 14, of which the British families number 8.

China to Have Ambassadors in London and Washington

China is negotiating with both Great Britain and the United States for the purpose of having the Chinese Legations at Washington and London raised to the status of Embassies. As soon as the agreement of the Governments concerned has been secured Dr. W. W. Yen, the Chinese Minister at Washington will be given the rank of Ambassador, as will Quo Tai-chi, Minister-designate to Great Britain.

American Missionaries Captured by Bandits in Honan

The American Consulate at Hankow reports that the American missionaries Mr. and Mrs. D. W. Vickner, their three children, Mrs. Brik Hoviallu, a son Arthur Nyhus, and his wife and baby, were captured by bandits June 26 at Kikungshan, Honan summer resort. Another missionary escaped, according to the message.

Chinese Delegate in Moscow to Make Important Proposal

According to a *Tass* telegram from Moscow June 28, Wang Cheng-sze, a member of the Chinese Delegation at Moscow, has requested an interview with M. Koslovsky, director of the Eastern Department of the Foreign Commissariat. In stating his request Mr. Wang declares that he has an important proposal to communicate from the Chinese Government. M. Koslovsky intimated that he would receive Mr. Wang.

Manchukuo Proposes Treaty with Poland

A proposal for conclusion of a treaty of friendship has been made to the Manchukuo Government by the Government of Poland, it was announced at Changchun June 27. It was stated at the same time that the French Government had asked the French Consul at Harbin for his opinion concerning conclusion of a Franco-Manchukuo commercial treaty.

It was indicated that both proposals would be accepted by the Manchukuo Government.

Latest New York Stock Exchange Quotations

Market:—Steady. Business Done 800,000 Shares

June 29, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Mon. June 27	Tues. June 28
23½	1⅝	—	Adams Express	2	Not
182¾	43½	•6.00	Allied Chemical & Dye	43½	45⅝
42¾	4¼	.50	Allis Chalmers	6	5½
129¾	30¼	•4.00	American Can	30¼	31⅞
51¾	2	—	Amer. & Foreign Power	2⅛	2⅛
31½	1⅛	—	Amer. & For. Power W.	Unq.	Unq.
58½	5¼	—	American Smelting	6⅛	6¼
201¾	76⅝	9.00	American Tel. & Tel.	76⅝	76⅞
132¾	45	•5.00	American Tobacco "B"	48½	48¾
80¾	11½	2.00	American Waterworks	11½	12
43¼	3½	—	Anaconda Copper	3⅝	3⅝
295½	30¼	•4.00	Auburn Automobiles	41½	45¼
87⅞	3⅞	—	Baltimore & Ohio	5	5
70⅜	7¾	—	Bethlehem Steel	7¾	7½
76½	20⅝	•2.00	Borden Company	20⅝	21⅛
30¾	3½	1.00	Borg Warner	3⅞	3¾
45¾	7⅜	1.25	Canadian Pacific Railway	8⅝	8⅜
131½	17⅝	—	Case, J. I.	20⅜	21¼
102	19⅜	2.00	Chase Bank	19⅞	19¼
54⅛	5¾	2.00	Chesapeake Corp.	5¾	5¼
25¾	5⅛	1.00	Chrysler	6	6
20¾	1⅞	—	Cities Service Co.	2⅛	2⅛
45⅝	4⅞	1.00	Columbia Gas & Electric	6	6
12	1¾	.30	Commonwealth & Southern	2	2
2¾	¼	—	" " warr.	¼	5/16
109⅝	33⅝	2.00	Consolidated Gas. of N.Y.	34⅜	34⅞
12	4	—	Continental Oil	4⅛	4
86⅝	27⅜	•7.00	Corn Products	26⅞	27
5⅞	⅞	—	Curtiss Wright Co.	⅞	⅞
78¾	23	4.00	Drug Incorporated	26⅛	25¾
107	24¼	3.00	Du Pont de Nemours	24¼	24¼
185¾	38	5.00	Eastman Kodak	39½	39¼
61	5⅝	6% S	Electric Bond & Share	5⅞	6
60¾	2⅞	—	Electric Power & Light	2⅞	2⅞
38⅜	1⅛	—	Fox Film "A"	1¼	Unq.
54¾	8⅝	40	General Electric	9⅛	9¼
56	20⅜	3.00	General Foods	20⅞	20⅛
48	8¼	1.00	General Motors	8¼	8
84⅛	7	3.00	General Railway Signal	7	Unq.
38¾	9¼	1.00	Gillette Safety Razor	12⅛	12
42½	8⅜	1.60	Gold Dust	9⅞	10¼
20⅞	2¼	—	Goodrich Rubber	Unq.	2½
52¾	5¾	—	Goodyear Tire & Rubber	6¾	6¼
62½	4	—	International Cement	4½	Unq.
4	½	—	International Combu. Eng.	Unq.	½
60½	11¼	1.80	International Harvester	11¼	11⅝
20⅛	3⅝	—	International Nickel	4	3⅞
38¾	2¾	—	International Tel. & Tel.	3⅛	3⅛
80¾	10	—	Johns Manville	10½	10⅝
31½	5	—	Kennecott	5	5⅛
27¾	1/32	1.61	Kreuger & Toll	⅛	1/32
91¾	34⅛	•4.00	Liggett & Myers, "B"	39	38
63¼	13½	•3.00	Loew's: Inc.	14¾	15¾
21⅞	9	1.00	Lorillard P. Co. (com.)	10⅝	11
19	1½	—	Ludlum Steel	Unq.	Unq.
29¼	3½	—	Montgomery Ward	4¼	4¼
108½	23¾	2.00	National City Bk. bid price	23¾	23¾
14¾	2½	—	Nevada Copper	2¾	2½
132¼	9	—	New York Central	10½	10¾
90¼	14¾	10%S	North American Co.	16¼	16¾
54⅞	17¼	2.00	Pacific Gas & Electric	19⅞	19⅝
11⅞	1¾	—	Packard Motors	1¾	1¾
50¼	1⅛	—	Paramount—Publix. Corp.	1¾	1¾
64	7	—	Pennsylvania Railroad	7⅞	7⅝
8½	1	—	Pennroad Corporation	1	1⅛
16⅝	2½	—	Phillips Petroleum	3	3⅛
96	31⅛	3.40	Public Service of N. Jersey	31⅛	31½
27½	2⅝	—	Radio Corporation	3	3
24½	1½	—	Radio-Keith Orpheum	2	2⅛
54½	26⅞	3.00	Reynolds Tobacco "B"	26⅞	27⅛
62¼	10	—	Sears Roebuck	10	10
10¼	2½	—	Shell Union	2¾	2¾
23⅜	3	—	Simmons Company	Unq.	Unq.
26½	5⅜	.80	Socony-Vacuum Corp.	6⅞	6⅞
54½	16⅝	2.00	SouthernCaliforniaEdison.	18½	19
88¾	8¼	3 50	Standard Gas & Electric	9⅝	9⅞
54½	20¼	•1.00	Standard Oil of N. Jersey	23⅜	23⅜
26¼	9½	1 00	Texas Corporation	9½	9½
55¾	12⅛	2.00	Texas Gulf Sulphur	12⅛	12¾
18	2	—	Trans America	2⅝	2⅝
72	16	1.20	Union Carbide & Carbon	16⅜	16½
205⅛	31⅜	6.00	Union Pacific Railway	31⅜	30⅝
38⅞	6⅝	—	United Aircraft & Trans.	7½	7½
31¼	3¾	.40	United Corporation	4⅛	4⅛
37½	10½	1.20	United Gas Improvement	12	11⅞
20⅜	2	—	U.S. Rubber	2	Unq.
162¾	21⅞	—	U.S. Steel	21⅞	21¾
76¾	5¼	—	Vanadium	6¾	6¾
20⅜	⅝	—	Warner Bros. Pictures	¾	¾
107¾	16¾	1.00	Westinghouse E. & M.	16¾	17
72⅝	23⅞	2.40	Woolworth	23⅜	23½
			Call Money	2½%	2½%

*Plus extras

SWAN, CULBERTSON & FRIZT

Swan Culbertson & Fritz

Investment Securities—Local & Foreign

Safe Deposit Facilities

New York stock quotations received daily

Sassoon House Telephones 11200 (4 lines)

In the United States Court for China

In re. Estate of RODNEY KEELER HEIM, Deceased

Cause No. 3460

Special Proceedings No. 1550

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of RODNEY KEELER HEIM deceased, to present the same with vouchers to the undersigned on or before January 1st 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY

Shanghai, China. Fed Inc U. S. A.

June 29, 1932. 29 Nanking Road, Shanghai, China.

In the United States Court for China

In re. Estate of JOHN MARTIN HANSEN, Deceased

Cause No. 3459

Special Proceeding No. 1549

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN MARTIN HANSEN deceased, to present the same with vouchers to the undersigned on or before January 1st 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY

Shanghai, China. Fed Inc U. S. A.

June 29, 1932. 29 Nanking Road Shanghai.

The National City Co. Gold Bond Quotations Received From Head Office

June 23, 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	25¼	—
Argentine Government	6 % May 1, 1960	38½	—
U. S. of Brazil	6½% Oct. 15, 1957	17	—
Republic of Finland	6½% Sep. 1, 1956	45	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	29⅜	—
Kingdom of Italy	7 % Dec. 1, 1951	85½	8.54
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	11	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	59⅜	—
American I.G. Chemical Corporation	5½% May 1, 1949	64	9.93
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	30½	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	57½	—
Chinese Govt. Re-org. (£) Loan Stamped	5 % 1913/60	60½	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	58½	—
Chinese Government (Crisp Loan)	5 % 1912	35½	—
Shanghai-NankingRailway	5 % 1904/08	28½	—
Shanghai - Hangchow-Ningpo Railway	5 % 1908/58	55½	—
Hukuang Railway	5 % 1911/1951	16	—
Tientsin-PukowRailway	5 % 1908/09	13	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, June 28, 1932

Demand selling rate on America:	U.S. 1.00=Sh. $4.9480
Demand buying rate on America:	U.S. $1.00=Sh. $4.8169
Demand selling rate on London:	£1.0.0=Sh. $17.832
Demand buying rate on London:	£1.0.0=Sh. $17.341

Are You Feeling Your Age?

Do you feel envious of those people you know who seem to be perennially youthful, who seem to take an intense delight in informing everyone how old they really are and enjoying the surprise which the information evokes? You don't often admit your own age for fear people may say among themselves that you certainly look it if not more.

A man's age is the condition of his body, and that depends upon the quality and quantity of his blood. If your blood has become thin, impure and scanty you will feel your age and more. Those wearisome backaches and headaches, pains in limbs and joints draw the lines of age on your face also. Weak and scanty blood gives rise to nerve weakness, digestive troubles, loss of appetite, insomnia, pallor and emaciation, physical weakness, that tired feeling, and even rheumatism and sciatica are traceable to this same source.

You need a course of that reliable blood and nerve tonic Dr. Williams' Pink Pills. When the new rich blood which these pills create is flowing through your veins you will find a wonderful change in your condition. There is nothing which will more rapidly bring back the vigour, energy and happy outlook of youth than this world-famous blood and nerve tonic. All chemists can supply you with Dr. Williams' Pink Pills.

NOW ON SALE

The China Year Book 1932

General Information:
Area and population; coasts, mountains and rivers; people and language; fauna.

Greater China:
Mongolia.—History, tribal organization and government; Mongolian Affairs Conference; Outer Mongolia.
Manchuria.—Position and boundaries, situation, climate, area, population, immigration, history and independence.
Tibet.—Geography, trade, history.
Chinese Turkestan. — History, geography, flora, fauna and trade; Turkestan-Siberian Railway.

Mr. Justice Feetham's Report to Shanghai Municipal Council:
Origin, scope and methods of enquiry; government, history, description, business interests, political and administrative questions and future of Foreign Settlement; suggested reforms affecting Ratepayers' Meetings and Council; origin, present status and future of Outside Roads Areas.

Products (pastoral, agricultural and general):
Wool, skins, bristles, hides, furs, bones, cereals, soya beans, silk cotton, sesamum, tea, oils, tobacco, fisheries, fibres, medicines, sugar, vegetable wax, straw-braid, nuts, timber, eggs, etc.

Colonies, Leased Territories, Concessions and Settlements:
Hongkong.—History, geography, finance, trade, communications, justice, health, education and legislation.
Kwantung.—Area and population, judiciary, posts and aviation, customs, finances and education.
Kwangchowan.
Macao.
Settlements and Concessions: Newchwang, Tientsin, Shanghai, Hankow, Amoy, Canton.

Public Health:
National Health Administration; patent and proprietary medicines; field health service, medical education, prevalence of communicable diseases.

Climate of China:
Monsoons, typhoons, rainfall, temperature, earthquakes, etc.

Geology, Mines and Minerals:
Rock formations of varied types; Governmental legislation and activity in mining: coal, iron, manganese, copper, gold, antimony, tungsten, tin, arsenic, aluminium and non-metallic minerals.

Trade and Commerce:
Early foreign trade.—Origin and development of trade with Portugal, Netherlands, Soviet Russia, America, Germany, Great Britain (British Economic Mission), Japan, France.
Modern trade.—Manchuria, North China, Upper, Middle and Lower Yangtze Ports, coast and river ports; customs; likin; commerical treaties.

Imports:
Cotton goods, yarn and raw cotton, woollen piece-goods, metals and minerals, machinery, electrical materials, timber, paper, petroleum products, chemical fertilizers, dyes.

Customs Revenue and Trade Statistics:
Values of direct trade with foreign countries; foreign trade imports; exports of living animals, food and beverages, materials, manufactured products, gold and silver.

The China Year Book **is the only publication of its kind in existence in China. Its 850 closely-printed pages review China's political, military and trade activities in easy reference form; contain the latest treaty negotiations with Foreign Powers; a Who's Who of nearly a thousand prominent Chinese personalities, and special articles on such subjects as the Kuomintang, floods, labour, currency and like problems. Sino-Japanese relations are dealt with in a special section which contains all relevant documents concerning the boycott, the Manchurian question and the hostilities at Shanghai.**

Mex. $20 net

Less than 10 per cent of the contents of the Year Book is Contained in previous editions, the first of which dates from 1912.

Finance:
T. V. Soong's report for 1929-30; Budget 1931-32; national policy towards debts; Boxer indemnity; new law on salt; tariff autonomy.

Labour:
Conditions in agriculture, handicrafts, mining and modern industry; labour disputes; wages, hours and cost of living Governmental policies.

The Kuomintang:
History of party activities up to February, 1932, fully documented; the Third Party Congress; opposition campaigns; reorganization of Central Government machinery; Chiang-Hu split; National People's Convention; resignation of President Chiang; Shanghai Peace Conference.

Religions:
Confucianism; Taoism; Buddhism; Mohammedanism; Christianity (Nestorianism, Protestant and Catholic Missions).

Shipping:
Customs report, list of shipping lines and vessels in coast and river trade, Hnogkong shipping and freight in 1930.

Army and Navy:
Arms, uniforms and equipment; arsenals, arms embargo and cancellation; strength and distribution of armies; foreign garrisons in China; Shanghai Volunteer Corps; Chinese Navy.

Sino-Japanese Issues:
Japanese and Chinese statements of principal points at issue, including report on anti-Chinese riots in Korea, Japanese invasion of Manchuria, disturbances in Tientsin, Japanese seizure of Salt Revenue; Japanese occupation of Heilungkiang; Chinchow and proposed neutral zone; "Independence" movement in Manchuria; Shanghai hostilities. Peace agreement and preliminary report of Lytton Commission.

Chinese Government:
Position of the Kuomintang; Executive, Legislative, Judicial, Examination and Control Yuans; military organs; provincial, municipal and district governments; Provisional Constitution of the Political Tutelage Period; Revised Organic Law; personnel of State Council, legations and consulates, foreign advisers, staffs of customs, salt revenue administration, postal service.

Who's Who:
Including new luminaries in the Chinese political and other horizons, checked up, wherever possible, to May 1, 1932.

Education:
Comprehensive account of Government educational activities and institutions; damage suffered by hostilities.

Public Justice:
How it is organized and administered; survey of modern legislation; list of courts, prisons, etc.

Miscellaneous:
Foreign, diplomatic and consular services; passport regulations; insurance in 1931.

Appendices and Index

Printers and Publishers:

North-China Daily News and Herald, Limited

Box 707, Shanghai

DOLLAR STEAMSHIP LINE
And AMERICAN MAIL LINE

THE

SUMMER HOLIDAYS

Will Soon Be Here

JAPAN

OFFERS MANY DELIGHTFUL RESORTS WHERE RATES FOR ACCOMODATIONS ARE REASONABLE

WE OFFER

ESPECIALLY ATTRACTIVE REDUCED SUMMER EXCURSION FARES—FOR FULL PARTICULARS ENQUIRE

AMERICAN MAIL LINE
ROBERT DOLLAR BUILDING

DOLLAR STEAMSHIP LINES
3 CANTON ROAD TELEPHONE 15309

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privilege in China.